# Daily Report

# Latin America

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# Daily Report
## Latin America

*FBIS-LAT-89-160* *21 August 1989*


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**Managua Human Rights Congress Issues Resolutions**
*PA1908233089 Panama City ACAN in Spanish 1936 GMT 19 Aug 89*

[Text] Managua, 19 Aug (ACAN-EFE)—The second Latin American Human Rights Congress has adjourned in Managua by issuing resolutions declaring drug trafficking the "enemy of humanity" and demanding the release of political prisoners in Cuba and Nicaragua.

The meeting was inaugurated on 17 August by Nicaraguan Cardinal Miguel Obando y Bravo and had the participation of Latin American specialists in economics, human rights, drug trafficking, and election processes.

The resolutions, which were disclosed today, state that the congress especially demands the release of Elizandro Sanchez, president of the Cuban Human Rights Commission, who was arrested in Havana for defending those rights.

The congress also issued a resolution asking Latin American countries to carry out collective legal actions that could put an end to the "critical situation" in Panama, whose government annulled the presidential elections of 7 May.

The congress urged the Sandinist government, headed by President Daniel Ortega, to grant a general amnesty as he promised when he signed the Central American peace agreements, known as "Esquipulas II," on 7 August 1987.

It also asked the Managua revolutionary regime to accept the jurisdiction of the Inter-American Human Rights Court based in Costa Rica, according to the "San Jose Pact."

Likewise, the congress issued a resolution condemning the Governments of Chile and Haiti for systematically violating human rights, and it supported the peoples of those countries in their struggle for democracy.

In addition, the congress asked the Latin American governments to update child protection laws and to ratify all existing treaties dealing with the protection of children. It also offered its support to the Catholic Church in its struggle for the defense of human rights.

The congress also agreed to condemn doctors who serve dictatorial regimes, calling on the doctors to reject the practice of torture.

The congress also condemned the use of the military service law as "a weapon for politically controlling youth" and it asked that, prior to the upcoming Nicaraguan elections, all young people doing their service and who are not permanent soldiers be demobilized so they can exercise their political rights.

In addition, it asked the Nicaraguan regime "to stop using underground state security prisons in Managua because these types of prisons are an insult to the conscience of America." The meeting was sponsored by the Romulo Gallegos Human Rights Foundation for Venezuela and Latin America (FUNDEHRG) and the Nicaraguan Permanent Committee for the Defense of Human Rights (CPDH) in the opposition.

The Panamanian delegation requested that Panama be the site of the third Latin American Human Rights Congress, which will be held on a date that has not yet been determined.

**Andean Summit Ends With 'Declaration of Caracas'**
*PA2008012089 Hamburg DPA in Spanish 2326 GMT 19 Aug 89*

[Text] Caracas, 19 Aug (DPA)—With the reading of the "Declaration of Caracas," appealing to the Andean and Latin American countries in general to struggle for an "integrationist culture" to jointly face the problems of the region, the first Andean political summit ended after 3 days of deliberations in Caracas.

The document appeals to the Cartagena Agreement Board and to the Andean Parliament to prepare a meeting to define "the priorities to be assigned to the integration plans, programs, and policies."

The "Declaration of Caracas" also stresses that it is not enough to aspire to political and economic unity, but that it must also be "social, cultural, scientific-technical, and educational."

To expedite integration plans, it suggests implementing an "Andean community budget to be obtained from a small percentage of the intrasubregional imports."

Regarding the Andean Parliament, it stresses that since it is the "principal organ of the Cartagena Agreement," it must play "an active role in defining the integration process."

Also, the document reiterates "that the illegal traffic and consumption of drugs must be considered a common crime against humanity" and adds that the subregion "must demand a concerted multilateral strategy and common policies at the world level," in keeping with political and socieconomic situations.

The final document of the Andean summit, named "Luis Carlos Galan," in honor of the Colombian politician slain on 18 August in the municipality of Soacha, concludes by reiterating the "unpostponable need for Bolivia to have its own sovereign outlet to the Pacific Ocean."

## SELA Officer on Possible Retaliation Measures

*PA1908140689 Paris AFP in Spanish 2327 GMT 18 Aug 89*

[Text] Caracas, 17 Aug (AFP) — The Latin American Economic System [SELA] has not ruled out economic retaliation against industrialized countries, SELA Permanent Secretary Carlos Perez Del Castillo said today during an interview.

In the interview, published by the Caracas daily ECONOMIA HOY, Perez Del Castillo referred to his position on the "unilateral commercial sanctions imposed by the United States, despite the agreements" reached at the GATT meeting in Uruguay. "In addition to the retaliation, Latin America has its purchasing power to defend itself in view of those measures," he added.

Perez del Castillo explained that before adopting commercial retaliation, SELA—the greater regional integration organization—prefers to resort to the GATT forum. However, the retaliation measures could help the region to "protect itself from unilateral measures adopted by industrialized nations."

"We must resort first to the GATT to solve any trade confrontation and reach agreements. However, in many cases, countries disregard the established agreements," Perez Del Castillo said.

"In trade matters, all Latin American countries export less than the Netherlands alone. Despite the limitations and deficiencies, the Uruguay meeting seems to be the only opportunity for the area countries to adopt a position on international trade," he added.

"At the Uruguay meeting we must emphasize three fundamental points: the agricultural resolutions, especially tropical production; textiles and clothing; and the services sector. This will ensure in the future greater security in trade matters," the SELA permanent secretary said.

Perez del Castillo noted that to improve Latin American trade, it is necessary to take into account other markets in underdeveloped nations "because if economic conditions improve in Third World countries, the demand will also increase." Inter-regional trade represents only 10 percent of the total sales of the area.

## Cuba

### Moscow Rejects 'Anti-Cuban' Remarks by Bush

*FL1808162689 Havana Radio Rebelde Network in Spanish 1530 GMT 18 Aug 89*

[Text] PRENSA LATINA carried a Radio Moscow commentary this morning in which the radio station rejects anti-Cuban statements made by U.S. President George Bush.

Radio Moscow said that the U.S. President's remarks, conditioning relations with Cuba to our country's adoption of perestroyka, are confusing and have even surprised local observers. The commentary said that Bush's remarks were a provocation and that they demonstrated the desire to [words indistinct] socialist friends.

The radio station said that the ties between the USSR and Cuba are exempt from any kind of pressure or dictate, thus making Washington's policy incomprehensible.

### Havana Comments on Drug Problem, U.S. Policy

*FL1908183589 Havana Radio Rebelde Network in Spanish 1042 GMT 19 Aug 89*

[Commentary by Orlando Contreras on "Haciendo Radio"]

[Text] During the past few days, violence in Colombia has taken spectacular turns. According to a report citing reliable sources, it seems that the hand of drug traffickers is behind the assassinations of Bogota Superior Court Judge Carlos Valencia, which occurred on Thursday [17 August], and of Police Colonel Vladimir Franklin Quintero, which occurred yesterday [18 August]. The Colombian drug mafia has built a big money and crime empire in Colombia with powerful ramifications beyond its borders, especially in the United States, the main consumer of cocaine and other drugs in the world.

Yesterday, Venezuelan President Carlos Andres Perez spoke on the phone with his Colombian counterpart, Virgilio Barco, and it is said that the main subject of their conversation was the relationship between juvenile delinquency and drug trafficking. It is important to note the words of Venezuelan President Carlos Andres Perez. We must reflect, said Carlos Andres Perez, on the need for all Venezuelans to face drug trafficking in Venezuela. We must also acknowledge that drug trafficking is the abominable crime of our times, and that there cannot be any hesitation or compassion toward drug traffickers. Those are the words of Venezuelan President Carlos Andres Perez.

In reality, the drug trafficking drama is seriously affecting several Latin American countries. We have the dramatic case of Colombia, but the situation also exists in Venezuela, Bolivia, Peru; well, in several Latin American countries. Now, the solution to that problem...[rephrases] As has been pointed out by Latin Americans themselves and the region's most prominent figures, the final solution to the dramatic drug trafficking problem must be based on efforts to put an end to the consumption of drugs. That is the main stumbling block in the fight against drug trafficking. The United States is the main consumption center of drugs in the world, and U.S. policy on drug trafficking is not consistent with the need to put an end and to actively curb the consumption of drugs. U.S. policy—and all this is very well known in Latin America—is based on destroying the plantations of a plant native to the continent, which is coca. Presidents, and political and social figures of the continent have said that the solution is not based on the destruction of a native plant but on an active struggle against drug consumption.

I think that the statements made by the president of Venezuela and the dramatic situation that Colombia is facing these days confirm that the policy for fighting drug trafficking must be tenacious, strong, without hesitation and compassion. It must also be based on ending drug consumption by the United States—the main drug consumer of the world—which lives precisely from drug consumption and its business.

### Further Commentary

*PA2008042989 Havana International Service in Spanish 0000 GMT 20 Aug 89*

["Our America" commentary, read by Manolo Ortega]

[Text] Incredible! A high-ranking U.S. official who preferred to remain anonymous recently revealed to a U.S. television network that the United States is considering the possibility of sending Green Berets to Andean countries to participate in antidrug operations. The official's statement was given to the Hispanic television network Televisa-Eco, whose programs are broadcast in the United States, Mexico, and other Latin American countries. He said that members of the Drug Enforcement Agency, the famous DEA, showed that they were ill-prepared to fight drug trafficking, so the government is analyzing the possibility of sending Green Berets, who are prepared for combat in all kinds of wars.

This is an extensive subject, and we could start by saying that the idea of militarizing the antidrug struggle is part of a plan being prepared by the U.S. official in charge of antidrug operations, William Bennett, who is also called the antidrug czar. According to the U.S. media, the Bennett plan includes greater participation by the U.S. Armed Forces in the antidrug war in countries like Colombia, Peru, and Bolivia—the biggest producers of coca leaf. Up to here it is clear that czar Bennett is the one who came up with the idea of sending troops to certain countries to fight drug trafficking. It is also clear that, based on the latest information, some DEA members are not the most appropriate people to fight drug trafficking because they are either drug traffickers or consumers.

In addition, everyone knows that the consumption of drugs is such a critical problem for the United States that other social dilemmas in the country have been relegated to second place. Therefore, would it not be better to start by cleaning one's own house before meddling in someone else's? The U.S. Government is so eager to show a strict image to the world that it wants to send military forces to destroy the coca plantations. However, has it stopped to consider how much aid the Andean countries' governments will need to substitute for that crop? For the moment, the idea of the troops has the effect of a bomb in the countries that have been reportedly designated to receive the troops.

Colombian Foreign Minister Julio Londono Paredes has angrily replied: If the Green Berets have to participate in an invasion, let them do it in New York, Los Angeles, and other big cities in the United States where the drug is consumed and sold on every corner of their elegant avenues with the permission of the authorities, who are there most of the time. The Colombian foreign minister added: Thus, it would be more convenient to carry out this type of operation in the consumption centers. In addition, he insisted, countries which are struggling against drug trafficking should get better support, meaning the payment of just prices for their agricultural products and the improvement of living conditions for the people who live in those countries.

Therefore, neither the DEA agents nor the Green Berets have the right to enter a Latin American country!

## IAPA Support of Human Rights Activists Viewed

*PA1908043789 Havana International Service in Spanish 0000 GMT 17 Aug 89*

["Our America" commentary read by Manolo Ortega]

[Text] The Inter-American Press Association, better known by its acronym IAPA, has just issued in Miami what it considers a strong condemnation of the recent arrest in Cuba of three men whom the IAPA has described as human rights activists. The IAPA quite hurriedly described these arrests as a violation of the freedoms of thought and expression. The IAPA's condemnation is the result of the arrest and trial in Cuba of several individuals with known counterrevolutionary affiliation who engaged in a slander campaign to discredit the actions of the Cuban courts following the trial of the Ochoa-La Guardia drug traffickers. Cuban citizens Elizardo Sanchez Santa Cruz Pacheco, Hiran Abi Cobas Nunez, and Hubert Jerez Marino are facing a judicial process, accused of disseminating false news as established in Article 115 of the Cuban Penal Code.

Now that we have explained why the IAPA reacted the way it did, it is only right that we give you some background on this regional press society that has its headquarters in the United States. Founded in 1926, but officially active since 1943, the IAPA is a legal U.S. organization. Its legal documents show that it is a corporation registered in Delaware. Even though more than 40 years have gone by, the IAPA is still trying to hold on to its so-called role as leader of freedom of expression on the continent. Legally linked to the U.S. bureaucratic system, the IAPA was born as a regional institution for the [word indistinct] businessmen to protect their power and influence.

Most large U.S. broadcasting media belong to this institution and, of course, the network extends all the way to the White House and centers of imperialist intelligence and subversion. We must point out that the IAPA is constantly obsessed with the Cuban revolution, but it also attacks the Sandinist people's revolution, which it accuses of openly violating freedom of speech.

The tactics used by the organization have changed with time. Only 20 years ago, despite the existence of terrible dictatorships in Latin America such as the one in Paraguay, the continent was presented as a land of opportunity for the media with the sole exception of Cuba. Later, international condemnation was so great against Chile and Paraguay that the IAPA was forced to mention both cases, but without forgetting to compare them to Cuba and Nicaragua.

The real purpose of this organization is to directly attack just causes. We cannot speak of freedom of expression when most large Latin American newspapers fail to comment on the foreign debt and only report on demagogues, torturers, or [words indistinct], while people are suffering from hunger and repression on the streets.

The distortions and concealment of realities that are well-known to many of the media which are IAPA members do not make anyone doubt the pharisaic nature of this organization, which, in this case, is angrily protesting a trial that a sovereign nation is conducting against those who violate its laws.

## Further Reportage on Situation in Michoacan

### Tension Mounts

*PA1808032089 Mexico City XHTV Television in Spanish 0214 GMT 18 Aug 89*

[Report by Jose Eduardo Campos from Morelia, Michoacan—live]

[Text] Tension in Morelia, Michoacan is mounting. Mexican Army troops were posted this morning in the streets surrounding the two city blocks where the PRI [Institutional Revolutionary Party] and PRD [Party of the Democratic Revolution] members are holding their sit-down strikes. The demonstrators are being carefully observed by both the Judiciary Police and the Morelia Preventive Police, as well as by the soldiers who are constantly reporting to their superiors on the situation.

The situation in Morelia is so tense that the shops near the area where the sit-down strikers are situated have been ordered to close their doors by 1800 at the latest. However, the businessmen are protesting because their sales have dropped considerably due to the presence of the policemen and the soldiers. It is interesting to point out that a large crowd is in the area, observing the actions by the demonstrators from the two parties. The demonstrators in both sit-down strikes are urging everyone to remain calm and not allow any outsiders to participate in their movements. They are trying to prevent any provocation.

PRI and PRD members marched to Morelia today to reinforce the sit-down strikers. Tomorrow, the Electoral Council will again meet and will announce the results of the past elections. The PRD followers, however, took over 10 of the 113 mayors' offices in the state today. We will be carefully watching the situation throughout the remainder of the evening and tomorrow morning, and we will keep you posted.

### Election Results Approved

*FL1908011589 Mexico City NOTIMEX in Spanish 2253 GMT 18 Aug 89*

[Text] Morelia, Michoacan, Mexico, 18 Aug (NOTIMEX)—The Michoacan State congress approved today the results obtained in 11 local electoral districts in which the Institutional Revolutionary Party (PRI) won 8 and the Party of the Democratic Revolution (PRD) won 3.

With the participation of two presumed deputies from the National Action Party (PAN) and four from the PRI, the Electoral Council approved eight districts in a block and later changed the agenda and approved three more. The certification committee's decision to approve the electoral districts in a block was severely questioned by the PAN.

Esperanza Morelos Borja, presumed deputy for the PAN, asserted that if the same procedure continues—creating blocks—the two PAN legislators will withdraw from the Electoral Council.

During the meeting, the PRI's victory in the following districts was approved: La Piedad, 4th district; Zamora, 5th; Tacambaro, 7th; Zitacuaro, 8th; Hidalgo, 10th; Jiquilpan, 13th; Maravatio, 15th; Huetamo, 18th. Also, the Electoral Council certified the triumph of the PRD in the districts of Patzcuaro, third district; Uruapan, sixth; and Lazaro Cardenas, seventh.

Victor Manuel Tinoco Rubi, chairman of the group certifying the elections, said the PRI deputies will continue working, even if the presumed two deputies from the PAN and one from the PRD do not show up.

Elections were held in Michoacan (western Mexico) last 2 July to elect 18 deputies with relative majority and 6 with proportional representation.

### Calm Returns

*PA2008215089 Mexico City XEW Television Network in Spanish 1630 GMT 20 Aug 89*

[Report by Jose Eduardo Campos]

[Text] The Michoacan Electoral Council has concluded its review of the recent elections for local deputies. The next state parliament, the 65th parliament, will be comprised of 24 deputies—12 PRI [Institutional Revolutionary Party] deputies, 6 PRD [Party of the Democratic Revolution] deputies, 3 PAN [National Action Party], 2 PARM [Authentic Party of the Mexican Revolution], and 1 leftist coalition [National Democratic Front] deputy. The 18 relative majority seats and the 6 proportional seats were reviewed during 2 sessions of the council. The PRD representative was not present during the review sessions. The two PAN representatives who attended the review sessions challenged the decisions of the two review commissions, but in the end, the results were not affected.

Last night, PRD representatives who, for 38 days had been holding sit-in protests in front of the government palace, decided to withdraw. Today, PRI followers who had been holding sit-in protests for over a week also withdrew. Soldiers and judicial and preventive police are beginning to return to their garrisons, as the City of Morelia is returning to normalcy. The PRD continues to occupy 50 municipal offices and has threatened to continue such actions to protest not winning more seats in the recent elections.

## Salinas, Guatemalan President Meet at Border

### Salinas Closes Meeting

*PA2008155589 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 18 Aug 89*

[Report by Emma Galvan in Tapachula, Chiapas State]

[Text] The agreements reached in Tela, Honduras, represent a major step toward the achievement of peace in Central America and preclude the possibility of a regionalization of the conflict. President Carlos Salinas de Gortari made this statement in closing the second Mexico-Guatemala binational meeting in Tapachula, Chiapas State. He said that the Tela accords are a victory for diplomacy and harmony and prove that international disputes can be settled through a dialogue and with political will.

President Salinas noted that the Esquipulas peace agreements were signed 2 years ago and that the documents signed in Tela, Honduras, follow the guidelines of that agreement, thus proving that the Central American countries want to solve their problems and live in peace. He added that the solution to the Panamanian conflict is up to that country exclusively. In closing the binational meeting, President Salinas de Gortari indicated that on Mexico's southern border, we offer the same treatment that we demand for ourselves on our northern border.

Minutes before meeting with the president of Guatemala at the southern border, President Salinas de Gortari read a message of friendship and cooperation between the two countries. Standing a few kilometers from the Guatemalan border, Dr Salinas de Gortari said neither Mexico nor Guatemala is willing to let their territories be used as a base of operations for international crime, as was emphasized during the binational meeting.

He said that mutual support in the struggle against drug trafficking will represent a wall that will defend us from this social scourge, whose dimensions have turned into a true national security problem for the two countries. Dr Salinas de Gortari also referred to the human rights issue, which he said is very important, adding that he is pleased with the creation of the committee that will follow up on actions taken to resolve refugee problems and to defend the basic rights of the Guatemalans who cross the border, as well as to make possible the repatriation of those who want to be repatriated.

The president said that the international community has been made aware of the two nations' interest in struggling for peace and perfecting the democratic processes in the Central American region. He said it is necessary to strive to improve the Central American people's living conditions.

President Salinas de Gortari and Guatemalan President Vinicio Cerezo Arevalo met at 1200 at the Rodolfo Robles International Bridge on the two countries' border, where an official ceremony was held. The presidents were accorded the appropriate honors and then traveled to the Tecun-Uman Park, where their talks are currently under way.

### Agreement Reached on Debt

*FL1808223089 Mexico City NOTIMEX in Spanish 2040 GMT 18 Aug 89*

[Text] Tecun Uman, Guatemala, 18 Aug (NOTIMEX)—Mexican President Carlos Salinas de Gortari announced here today that Mexico and Guatemala have reached a financial agreement to restructure Guatemala's debt with its neighbor to the north.

During a speech delivered at the main square of this border town, where the presidents of the two countries met within the framework of the second Mexico-Guatemala meeting, Salinas announced that the two countries are beginning a new stage in their financial relations.

Guatemala has a debt with Mexico estimated in some $66 million. The Mexican delegation attending the meeting did not specify the terms under which the financial agreement was reached.

Salinas said Mexico will give Guatemala the same conditions it got from the commercial banks on the renegotiation of its own debt so that our neighbor to the south can grow.

## Salinas Tours Tlaxcala, Speaks With Peasants

*PA1808185189 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 16 Aug 89*

[Report by Emma Galvan]

[Text] The Mexican Government will take the same risks as peasants investing in the agricultural sector, President Salinas de Gortari said during a solidarity meeting with peasants at the Tlaxcala communal fruit farm. He announced an agro-industrial program that will be managed by the peasants themselves. This is part of the new national solidarity plan.

[Begin Salinas recording] Solidarity enterprises will be managed by the peasants themselves and the government will invest some capital and take risks with you. However, in this solidarity effort, peasants will be the ones working and living on the communal land. They will be the majority owners, because responsibility for handling these enterprises should be held by you, peasants who take daily risks to make these enterprises productive. [end recording]

The federal government will allocate 4 billion pesos for the agro-industrial enterprise plan to offer assistance and solidarity to peasants. During the meeting with peasants, President Salinas de Gortari told peasants that about 160 billion pesos have been allotted to support all of the

state agricultural plans. The government basically plans to improve mechanization, especially in sectors that have fallen behind, and is making efforts to solve this problem.

In a brief interview, the president reported that following the foreign debt renegotiation, we must intensify efforts to continue working, but amid new prospects. The new prospect, he said, is that we will progress by defeating the problems we are facing. We must remain united so that the debt renegotiation concludes successfully, he added.

During his 2d day in Tlaxcala State, the Mexican president headed a work meeting on cultural development and tourism in (?Tacaxtla) archaeological zone. President Salinas de Gortari said the Mexican Government will make every effort necessary so that through UNESCO, the (?Tacaxtla) archaeological zone will be declared universal patrimony. Tourism Secretary Carlos Hank Gonzalez noted that 300 million pesos will be invested to complete facilities in the area and develop tourist areas. Once the meeting was over, the president visited the zone and later returned to Mexico City.

*** Ruffo To Audit PRI Electoral Campaign**
*32480197 Mexico City PROCESO in Spanish No 663 17 Jul 89 pp 6-7*

[Article by Elias Chavez]

[Text] Mexicali, Baja California—Like a great actor, Ernesto Ruffo does an impersonation of President Carlos Salinas de Gortari:

"What shall I do with little Ruffo?" President Salinas, impersonated by the winning candidate for the Baja California governorship, asks himself.

"If I pet him and let him grow, within 5 years he could become a candidate for the presidency of the Republic," reflects Ruffo, continuing to impersonate Salinas.

"But if I attack him and boycott his government," continues the "president's" monologue, "then I'll turn him into a martyr, a hero. His popularity will increase on the national level...and he might be a candidate for the presidency."

"I'd better leave him alone. I won't attack or pet him. I'll treat him institutionally, like any other governor," decides Ruffo, in the role of Salinas.

An impromptu impersonator of Laurence Olivier, Ernesto Ruffo stops acting and assumes his own character. He does not preclude the possibility that, within 5 years, he could in fact be a candidate for the presidency of the Republic, but he explains:

"At the present time (he tells PROCESO) it is my intention to fully exercise my 6-year government term. In order to consider anything else, many things have to be calibrated at just the right time. For example, we'll have to see whether Mexicans all over the country, and not just in Baja California, are willing to achieve change. And we'll find out about that if National Action wins more governorships, more congressional seats, and more mayoral offices."

For the present, PRI [Institutional Revolutionary Party] received the coup de grace on Thursday, 13 July: Arturo Guerra Flores, the interior secretary general, reported that Ernesto Ruffo won the governorship with 204,507 votes, against 163,529 for the PRI candidate, Margarita Ortega Villa. The PRD-PARM [Party of the Democratic Revolution-Authentic Party of the Mexican Revolution] coalition candidate, Martha Maldonado, received 12,128 votes, while Sergio Quiroz Miranda, running for PPS [Popular Socialist Party] and PFCRN [Party of the Cardenist Front for National Reconstruction], won 9,971 votes.

PAN [National Action Party] also officially gained the 15 single-member district state congressional seats (four more congressional seats are multi-member district state congressional seats), and the Tijuana and Ensenada mayors' offices.

Nevertheless, Ernesto Ruffo is not satisfied: he announces that, in the Electoral College (it will start operating on 20 September, dominated by PAN), his presumed congress members will look into the "outrages" committed by the current electoral authorities, and will recover at least one more congressional seat. "We might even prove that we also won the Tecate mayor's office." And he cautions:

"We don't intend to be vengeful, but we are obliged to obey the law and see that it is obeyed. The electoral criminals had better watch out!"

As if regretting his warning, Ruffo remains silent for a few seconds and then, in a conciliatory tone, remarks:

"The important thing now is to pool efforts, unite, and forget party battles. What matters is the welfare of Baja Californians. That's why I don't think that President Salinas is going to harass us: it doesn't befit anyone to spoil the many things that have been achieved here. We must leave behind types of behavior that don't belong in our society."

Last year, in the federal elections, the Cardenists won first place in the voting here; second place went to PRI, and third, to PAN. And as for the upset that occurred on 2 July, Ruffo makes this analysis:

"Since the presidential election was held, I observed that the majority of Baja Californians wanted a new type of government. And I wondered whether the formal authorities would accept and respect the people's will to have a non-PRI government. I also wondered whether the citizens would be willing to participate and to demand that their

will be respected. The latter was fundamental: the people voted, watched over the elections, and forced the formal authorities to respect their will. I think that President Salinas is convinced that it is necessary to democratize the country. Those impeding it are some PRI members who refuse to progress and want to continue with the practice of having complete control. The fact is that, on 2 July of this year, the people participated in an active, orderly, peaceful way, although I admit that it was not a partisan participation. The majority of the people expressed themselves through National Action, but this attitude of the people extends beyond PAN: We Baja Californians and all Mexicans want a new Mexico. And I insist: if Carlos Salinas de Gortari loves his people, he must be consistent and constructive, and he must take advantage of these circumstances to create a new Mexico."

While that "new Mexico" is arriving, things are beginning to change in Baja California. The present state congress, dominated by PRI members, is preparing to close out the public accounts, while the state PRI has almost left to their own devices the scores of reporters brought from Mexico City "with all expenses paid." And PRI's creditors, including some hotel owners, are anxious, fearing that some of their bills are not going to be paid.

Newspaper businessmen in Baja California are worried by a comment made by Ruffo: "There will be no subsidies in my government: the newspapers that are supported by their readers will survive."

Ruffo almost bursts out laughing when the reporter reminds him of the criticism claiming that his victory is a historical setback, jeopardizing the national sovereignty. He responds:

"We aren't proposing a different design for the nation. What we are proposing is a design for coexistence and respect for everyone. Many of those who voted for me aren't even PAN members. There is no ideology among the bulk of the population. If we went out on the streets and asked people what they think of the left or the right, the majority would answer that what concerns them is having employment, having decent housing, education, and public security, and most of all, having an honest government. The elections in Baja California were not an ideological confrontation. The people here went beyond the political parties, and expressed opposition to the corruption, injustice, and authoritarianism. And people identify all those evils with PRI."

Until early last January, Ruffo, as mayor of Ensenada, suffered the hostility of then governor Xicotencatl Leyva Mortera, who provoked him with strikes by civil servants, begrudged him financial resources, and even attempted to have the state congress dismiss him. Now the roles will be reversed: Ruffo, as governor, will reside in the state capital, Mexicali, where the mayor's office will be headed by PRI member Milton Castellanos Gout. But Ruffo explains:

"I won't make Xicotencatl's mistake. My attitude will be positive, one of work for the benefit of Mexicali. I'll be respectful, and seek rapprochement with Milton Castellanos."

Milton, in turn, told PROCESO:

"When I assume the Mexicali mayor's office, I'll also assume the responsibility for always seeking the benefit of the people of Mexicali. Therefore, I have no right to make enemies nor to seek a confrontation with any other government echelon, whether it be state or federal. In the long run, the people are not concerned about who does the work; what concerns them is that it be done. Of course, I'll also assume the responsibility for combating anything that would be harmful or unjust to the people of Mexicali, come what may. I'll assert all the rights that belong to us."

Mexicali is the only municipality in which PRI received more votes than PAN (85,082 versus 68,997). This instills optimism in Milton: "Because we have complete legitimacy we know that, if necessary, we would have the support of the federation to enforce respect for the guiding principles of the free municipality."

Unlike the PRI state leader, Eduardo Martinez Palomera, who, on Friday, 14 July, had still failed to make an appearance to acknowledge Ruffo's victory, Senator Margarita Ortega admitted it.

"I lost the governorship...I'll return to the Senate to do a good job. I don't feel cheated, nor am I resentful toward those who voted against me, because they showed that they wanted a change."

Margarita was interviewed at the entrance to a restaurant where a group of friends was holding a dinner for her. She arrived alone. The scores of special delegates and sub-delegates who had surrounded her previously have now disappeared.

In addition to lodging and expenses, during Margarita's campaign PRI paid for about 750 round trips by air to and from Mexico City for its officials, delegates, and sub-delegates.

Ruffo claims that, in his campaign, he spent about 800 million pesos, plus another 200 million on advertising material sent by the PAN national executive committee. And he calculates that "at least 12 billion" was spent on Margarita's campaign.

If Ruffo's calculations are correct, each one of the 204,507 votes attributed to him by the State Electoral Commission had a "cost" of 4,889 pesos and 81 centavos; whereas each one of the 163,529 awarded to Margarita represented 73,381 pesos spent.

Ruffo has announced that, as soon as he takes over the governorship, he will order an audit, because he suspects that a considerable portion of the PRI campaign was paid for with money from the public treasury. And he warns again:

"If we discover illegalities, I'll bring criminal suit before the competent authorities. When someone is given responsibility, he must fulfill it, and require that it be fulfilled. Otherwise, if someone pretends not to notice, he also commits a crime."

Ruffo claims that he will not disappoint the Baja Californians, "because I never made demagogic promises to them." And he explains:

"Baja Californians are very hard-working, and realize that things are not given away free. They aren't used to paternalism. What they want is integrity in the management of public funds. And I'll call upon all the citizens and groups so that, together, we may decide on the best way of using the funds. That will be my government's most important goal: to achieve everyone's participation, to construct a more active society that participates more in public affairs. Of course, we'll also create housing, promote education, and seek a better awareness of the fact that all of us together, if we make up our minds, can achieve anything."

For the present, Ruffo is preparing for what he calls a cold war: He fears that, first in the Electoral College, and later in the Congress, the PRI members and their allies (PPS and PFCRN) may cause an uproar similar to the one that occurred in the Congress of the Union last August.

He also fears that, when he takes office on 1 November, the opposition (and he laughs at the fact that, from now on, he will be categorizing PRI and its allies as such) may challenge him and leave the conference room.

Whatever happens, Ruffo predicts:

"I'll invite President Salinas de Gortari to my inauguration. I hope that he won't snub me."

### Statistics Show Increase in Industrial Production

*PA2008231789 Mexico City EL NACIONAL in Spanish 1 Aug 89 p 3 (Economic Section)*

[Summary] A National Bank of Mexico analysis reveals that industrial production grew between 3.5 and 4 percent in the 1st 5 months of 1989. It stresses that this trend is favored by the price stability that results in the consumption of all kinds of goods. It notes that in just the 1st 5 months of this year, the demand for automobiles increased 35 percent, while that for electrical appliances and electronic equipment grew 15 percent.

## Guatemala

### President Interviewed on Nation's Concerns

*PA1908170489 Guatemala City LA CRONICA in Spanish 11-17 Aug 89, pp 19, 25*

[Interview with President Vinicio Cerezo by unidentified reporter in Guatemala City—"on the eve of his departure for Honduras to participate in the Central American summit" held 5-7 August]

[Text] [Reporter] Guatemala's atmosphere is charged with concern over the social and economic crisis the country is undergoing. Only 3 days ago, terrorism claimed Danilo Barillas' life. The president is faced with one of the most complicated crises of his 3 and ½ years in office. It is he who opens this interview, which was carried out on the eve of his departure for Honduras to participate in the Central American summit meeting.

[Cerezo] I believe that Danilo Barillas' murder, which was a very painful incident, will serve to remind the Guatemalan people that the tragic past is still very recent, that democracy is a rather small plant which, if it is to grow and become a luxuriant tree, must be tenderly cared for. That all of these events have taken place concurrently is no accident. The labor leaders make demands, but they do not use legal channels, they use de facto measures to create situations that are taken advantage of by democracy's enemies. What is the lesson? That labor and political leaders should understand that if we are too free in granting freedoms and rights, we could easily return to a situation we all thought had been forgotten.

[Reporter] You have said that there are other groups attempting to disrupt the plan for a transition to democracy. What groups are those?

[Cerezo] There are two types. In Guatemala we can name them by their ideology—the extreme left and the extreme right.

[Reporter] However, that is not a very clear description of them.

[Cerezo] There is one sector that has isolated itself for ideological reasons. They are people who maintain that to change society, it is necessary to hold violent confrontations and destroy people they believe to be responsible for injustices and our society's backwardness. These are Marxist-Leninist revolutionary groups that are involved with guerrilla groups. They have isolated themselves from the process and, against the people's will, they are attempting to promote a different process. The other destabilizing group is formed by political leaders who have been sidelined by the democratic process. They lost in the elections and have not been considered valid alternatives, thus, their attempts to set the stage to seize power through the use of force. They adopt this attitude because democracy is becoming the standard for legality. I do not believe that democracy should be established by force, because the use of force would lead to polarization.

This group includes soldiers who, having been punished, attempted to stage a coup. Sidelined by the process, these individuals become criminals, and whether from the left or the right, they oppose the process.

[Reporter] Why have you never mentioned the names of the guilty?

[Cerezo] We cannot, for technical reasons. We can, however, point out the political currents not aligned with any of the existing political parties. It is necessary to say this clearly because, when one speaks of rightist parties, one is inclined to think about National Liberation Movement-type parties. I do not think these parties are at present interested in disrupting the democratic system. I think individuals are. In addition, I do not have the private sector in mind when I speak of far-rightists.

[Reporter] Those are the forces, apart from the government, that may have somehow contributed to the present crisis. However, the government has also made some mistakes. Could you mention some of them?

[Cerezo] Obviously, the government is always somewhat responsible for what happens in the country. Although we have surely made some mistakes, we have succeeded a considerable number of times. For instance, while we were very satisfied over the results of our economic stabilization policy this year, we did not realize the need for some social adjustments. We had planned to make these changes in the 2d half of this year and early next year. Some events, however, such as the rumors of a change in the exchange rate, hastened speculation and other phenomena. This resulted in pressure for salary raises, which we had not anticipated would take place at this time. This mistake has forced us to go back and check a number of things.

[Reporter] What kind of solution do you have in mind for this economic and social crisis?

[Cerezo] We will advance for 16 August the presentation of what we call the "500-day" and "Guatemala-2000" programs. Both programs include supplying staples at reasonably stable prices. A highlight of this program is a medium-term monetary and exchange policy.

[Reporter] It has been observed from abroad that the government no longer enjoys the political support it has had in the past. Has the government any plan to recover this support, particularly in view of the coming elections?

[Cerezo] This is natural in democratic countries. There is a period of government and presidential isolation, so to speak, just prior to the elections. Trusted men—and women, as with my wife, who is also a candidate—must engage in a campaign to try to win the elections. This results in the president being left virtually alone. The

government also is left alone because the political parties tend to separate from the government to win electoral points and appear in a distinct light in the eyes of the voters.

[Reporter] Let me add a few other elements to the current political juncture. Specifically the drug issue. There is a report circulating all over Europe and the United States concerning poppy production figures. You mentioned that it is an international campaign. However, neither international campaigns nor conspiracies emerge spontaneously. There is talk of indirect pressure from the United States. What do you say to this?
[Cerezo] I am surprised by the campaign. I have described it as an international campaign, not against the government itself, but against Guatemala.

[Reporter] Why?
[Cerezo] One could say: "Guatemala may be on the verge of becoming a bridge for international drug trafficking, but there is a constant struggle to prevent this." Yesterday I was looking at figures in a report issued by the security forces concerning the efforts made over the 1st 6 months of 1989. We have seized 1,100 billion quetzales worth of drugs.

We could pay a fourth of Guatemala's foreign debt with that amount of drugs. Nevertheless, we have seized and burned those drugs to favor the United States. Meanwhile, [U.S.] newspapers refer rather indiscriminately to Guatemala. This does not affect the government as much as it does the entire country, the economy and image of which are at stake.

[Reporter] There seems to be a differences of opinion between what the government wants and what the Americans want. Is that not so?
[Cerezo] The Americans wanted us to wage a massive attack on poppy plantations with chemicals that would destroy the plants. However, in many of the areas involved, ordinary crops are cultivated alongside the poppy plants. Therefore, we must confront the problem in a way that we will not affect the Guatemalan peasants who are doing their work properly.

[Reporter] There also are differences between what the Guatemalan Government says and what the Americans say. What attracts attention most is that the Guatemalan Army says that there is no conclusive evidence that the guerrillas are involved in the production and trafficking of drugs, while the DEA [Drug Enforcement Administration] says that the guerrillas are involved in those activities. Does this imply that the United States is trying to condition economic and military aid to the Guatemalan Government's degree of commitment to the struggle against drugs and the Army's involvement in this struggle?
[Cerezo] I must say I had never thought of that. It could be that there is international pressure for us to increase the involvement of Guatemalan Government institutions in the struggle against drugs. I can see where this is a campaign. It cannot be accidental that important magazines and newspapers are publishing similar accounts of what is happening in Guatemala. Even a naive person would notice that. The reports are always similar and the source is always a "diplomatic source" [previous words in English]. Where does that come from?

[Reporter] From where?
[Cerezo] It is very unlikely that European sources will disclose information of that kind. The infamous news about Alfonso Cabrera was in a report on the suspicion that a shipment could be linked to his brother. The DEA report was leaked to the public. This is very suspicious. I am not saying that the U.S. ambassador or Administration did it. The United States is a seven-headed monster. There are many agencies powerful enough to have influence in these matters. At any rate, we must admit that fact.

[Reporter] Which one?
[Cerezo] That drug traffickers are trying very hard to turn Guatemala into a transit point for drugs headed for the United States. We cannot deny that. However, we must also say Guatemalan authorities have been very careful to face this problem because corruption by drug traffickers is one of the enemies of the democratic system. This is why, by common agreement with the General Staff, we do not want to link the Army to this kind of thing. The Guatemalan Army has kept its "ideological purity" in defending the state. If it were involved in drug trafficking, as has unfortunately happened in other states, the security of the state and institutional rule will be at risk. That is why we are going to continue to resist that pressure. We have been successful with the regular authorities. Why link the Army, which already has a very specific duty to fulfill?

[Reporter] Let us return to the issue of terror. Can it become an undesirable element in the electoral campaign? Does the government have a plan to prevent that?
[Cerezo] We do have a plan. Terrorism is one of the criminal activities that is hardest to control, but we have the means to neutralize it—intelligence. Not intelligence meaning the brain, but meaning security, that is, proven information. We have an idea of where it may come from and who can be helping it. I want to say that foreign interests are providing help. However, we are prepared to face it, and we can face it.

[Reporter] When?
[Cerezo] An effort will be undertaken from now to the end of the year, because we want the election year to be as safe as possible. In addition, we have prepared a plan that we will propose to political leaders so they can feel safe in the hands of professionals.

[Reporter] The teachers' strike has created a situation unheard of for many years in Guatemala. The slow bargaining process, de facto rules, talks, and the breaking

off of the talks are new in our country. How does it make you and the Guatemalan people feel to realize that repression and state violence were not used to solve the problem?

[Cerezo] It is a truly interesting experience. It proves that a democratic state has many means to control various situations and to provide security. Obviously, we mean control in the correct sense of the word. A government has a number of mechanisms to punish or to exercise control without resorting to force, except in truly extreme cases. The state must use all available means. The lesson we can learn from all this is that a democratic government is much stronger than an authoritarian one, because it can resort to the use of force without running into any problems.

[Reporter] Let us discuss the economic aspects of the crisis. The gold in the Bank of Guatemala has been deposited on pledge. Every time the government resorts to that measure, many people think that if the gold is gone, the economy has gone adrift. We know that as a result of that deposit, we received $74 million. We also know that sum automatically increased our reserves to $10 [not further specified]. The latest report we have, however, says that presently we have an accumulated $13 million foreign exchange deficit in the Bank of Guatemala. There are also reports that state we have been importing products valued at up to $14 million a week. How long can the Bank of Guatemala stand that economic rhythm? Will we get to October without a currency devaluation?
[Cerezo] Not devaluing our currency has to do with the problem we were talking about earlier. We realized we were facing a speculative, inflationary process. We also realized a devaluation would be an added element to the state of relative agitation we are experiencing. More than a political decision, the decision not to devalue the currency is an economic decision that considered medium term measures.

[Reporter] What kind of measures?
[Cerezo] Up until now, Guatemala needed drastic devaluations. We required a 50-percent devaluation to stabilize our currency and then an 8-percent devaluation, which was really a revaluation- devaluation, because at that time the exchange rate was off four quetzales per dollar. Both devaluations had an extremely strong effect on our country's economy. The devaluations caused price increases and production cost increases. After those devaluations, however, the quetzal proved to be a stable currency and we, Guatemalans, also proved that we prefer stability over speculation. That is a very good quality. If this same thing had happened in Argentina, who knows how the Argentine people would be right now?

[Reporter] Guatemala is a conservative country...
[Cerezo] Thank God we are conservative in that regard! That means we do not need to devalue our currency drastically, but that we can make small devaluations according to market fluctuations and needs. We insist that in modern times, devaluations not be an objective, but an economic instrument. Thus, we plan to make a small devaluation in due time. We will do that soon.

[Reporter] Does that mean there will be mini-devaluations? Will we not fall into the same trap some other countries of the southern cone, or even Mexico, did?
[Cerezo] I do not think so, because for 2 years we have studied the exchange rate movement in Guatemala. Of course, if the mini-devaluations—as you call them—are established without any other type of measures, this would open a process of permanent devaluations.

[Reporter] For example, which ones?
[Cerezo] This is a policy that must be discussed and agreed upon with the various sectors. Therefore, I was saying that we are going to move ahead the announcement of a new policy to adopt an exchange measure, together with other economic measures that will once again allow stabilization, security, certainty, and trust. We still have that pending. It is true that we are running out of our own money. However, we are close to September and October, which is when we begin to obtain foreign currency revenue. Besides, we will have U.S. assistance, that has not arrived yet, but it amounts to $70 million. We also have assistance from the International Monetary Fund [IMF], that will probably amount to $80 million. Part of that amount we will receive this year.

[Reporter] When?
[Cerezo] The U.S. assistance could arrive at any moment, as soon as we have launched the new economic policy. It might be this week, or probably next week. The IMF assistance will probably arrive before the end of the year, around September or October.

[Reporter] This then implies that the AID donation is tied to the 500-day plan?
[Cerezo] Yes, but because we want it to be that way. If we are going to make a small devaluation, why cannot the government also profit by converting dollars to quetzales? This would help our budget.

[Reporter] The information we have shows that internal revenue did not increase compared to last year. Evidently, this is due to a drop in economic activity. Do you think that the process will continue in this direction or do you think that these economic measures will solve the fiscal problem?
[Cerezo] Fiscal revenue did not increase at the expected rate, but it did increase in relation to that of last year. It is evident that when the economic process tends to stabilize, its growth rate tends to diminish.

[Reporter] What are the highlights of the 500-day plan?
[Cerezo] Update legislation to expedite exports; update the communication and production infrastructures; foster the private sector's participation in economic decisions; strengthen CONAPEX [expansion unknown]; and invest in insurance and funds to promote exports. Of

course, I mean investment in social sectors that are necessary for economic growth through education. For instance, educational reform is closely involved with teaching the people to work in other than their usual activities. The plan includes opening opportunities for foreign investment, privatization and/or the creation of state mixed corporations to increase economy with the participation of capital sectors. Finally, the plan includes joint investments in several projects, such as CELGUSA [expansion unknown]; that are not serving any useful purpose so far; the creation of jobs; and increasing the production of nontraditional products. This is the general outline of the 500-day plan.

[Reporter] It is being said that Guatemala lost the initiative in regional politics. Do you have anything in mind to recover it?

[Cerezo] I think Guatemala has been cautious. The initiative deals with ideas we have promoted, but we have never intended to enter a competition. Costa Rican President Oscar Arias is right in being active because we feel he will soon retire. Very intelligently, Arias has promoted all our ideas abroad and improved on them. This is right from a historic viewpoint and Costa Rica's position in the international context.

[Reporter] Finally, Mr President, did you think it would be very difficult to govern the country when you assumed office?

[Cerezo] (The president guffaws) I thought it would be more difficult.

### Education Minister Resignation Effective Oct

*PA1908043989 Guatemala City LA HORA in Spanish 17 Aug 89 p 8*

[Text] Added to the recent events involving the country's teachers and the primary elections in the Christian Democratic Party, we now have the resignation of Education Minister Ricardo Gomez Galvez, who said it will be effective in October or November.

Gomez Galvez made the announcement to the press yesterday shortly before appearing at Congress to answer questions on the teachers' strike.

Gomez Galvez told the press that Deputy Catalina Soberanis will replace him as minister. His resignation comes after the recent conflict with the teachers and after the charges formulated about the primary elections in the ruling party. Gomez Galvez was a potential vice presidential candidate on the ticket that would have been led by Rene De Leon Schlotter.

Knowing that he was going to be removed as minister, Gomez Galvez announced that his resignation will be effective in October or November.

## Honduras

### Contras Willing To Give Weapons to UN, OAS

*PA1808174789 San Pedro Sula TIEMPO in Spanish 14 Aug 89 pp 14, 15*

[Text] Tegucigalpa—Contra commandos want no confrontations with the Honduran Army that may lead to bloodshed, and they are willing to turn in their rifles to the UN and OAS envoys, in abidance with the Tela presidential agreements, it was asserted to TIEMPO by Nicaraguan counterrevolutionary sources.

The sources said they have confirmed that most of the contra contingents are willing to abide by the decision to turn in their weapons, although some of them prefer to travel to the Nicaraguan mountains and organize groups of bandits who will dedicate themselves more to pillaging than to endangering the government's stability.

According to reports, the latter will not heed the leaders who live in luxury hotels in Washington and Miami, but tell the fighters to vacate the camps located in the mountain region of Yamales and go fight inside Nicaragua before anyone comes to demand that they turn in their military supplies.

However, members of a patrol sent a radio message from Nicaraguan territory to their leaders, saying that "they are not interested in any signatures or agreements by persons who are not part of our struggle," such as the Central American presidents.

The message is addressed, among others, to Commander Franklin, the chief of staff who requested asylum in the United States, along with a group of contra leaders who decided to put an end to military actions and try to get jobs in U.S. territory.

Contra sources consulted by TIEMPO said that Franklin and several other commanders have requested asylum in the United States. Some of them presented their applications at the offices of the International Committee for Migration [CIM] in Tegucigalpa.

TIEMPO consulted the CIM representative in Honduras, Engineer Guillermo Chirinos, who said that the information is correct because the number of Nicaraguan citizens requesting asylum has increased.

Given President Jose Azcona's statements that the weapons must be voluntarily turned in to prevent the shedding of Honduran soldiers' blood, the contra sources added that "no one in the camps is thinking about a confrontation with the Honduran Army."

Most of the troops realize that they will have no other choice but to comply when the UN and OAS envoys arrive to request the [military] supplies, the sources said.

Some commanders will go with their troops to the Nicaraguan mountains and organize "groups of bandits, but those who remain behind will have no choice but to turn in their weapons because there is a sovereign Army in the country, and its will must prevail," one of the interviewees said.

The other interviewee added: "Who would want to fight with the Honduran Army? Those who are in Nicaragua are different; they will dedicate themselves to organizing a groups of bandits."

"It is true that there are commanders who say they will continue the struggle—from luxury hotels in Washington and Miami—but the supplies and logistic support will come to an end, and all the people—meaning the refugees and fighters—are interested in returning to Nicaragua."

In his opinion, when the contras in Yamales tell the journalists that they will not turn in their weapons to the international representatives, they are only following their commanders' orders, they are not talking sincerely.

Foreign journalists who managed to visit the zone before the Armed Forces restricted access to the area on Tuesday morning agreed that everyone uses the same words in all the interviews, meaning that they will not turn in their weapons because they will leave for the Nicaraguan mountains, apparently following orders, before the international commission arrives.

Oscar Sobalvarro, best known as Commander "Ruben," chief of civilian affairs in what is left of the general staff, told the journalists that the contras cannot turn in their weapons "because there will be no democracy in Nicaragua as long as the Sandinists do not relinquish power."

The contras consulted with by TIEMPO said that the commanders are aware that the disarmament will be compulsory and that the voluntariness stated in the Tela presidential agreements "is a diplomatic word."

One of the interviewees said: "What can men do when the international forces come? They can only turn in their weapons. There will be no voluntariness when the time comes because there is a sovereign Army here."

The interviewee said that those living uncomfortably in the camps have slowly come to realize that the members of the so-called Nicaraguan Resistance leadership "are struggling for personal interests, for money."

"However, those who are suffering the war and the refugees who are neglected by the UNHCR [UN High Commission for Refugees] no longer want to risk their lives if the presidential agreements grant them an opportunity."

He added that, anyway, the Honduran Army knows that the contras are willing to turn in their weapons, and that no one would even think about a confrontation that would result in a lot of bloodshed.

The two interviewees added that several of the commanders who are still in the sector of Yamales have submitted applications through the CIM, requesting asylum in the United States, but the organization would probably not want to confirm the information.

Nevertheless, TIEMPO consulted CIM representative Guillermo Chirinos, who said that the information might be correct, but he cannot confirm it because the Nicaraguans do not say if they are contras or not.

"The 3d day (after the Tela agreements were signed) the flow of applications increased, and many more are expected. We are preparing ourselves for an avalanche within a month," Chirinos said.

He explained that, according to established procedures, the interested persons must submit requests for asylum at the CIM, which screens each one of them. U.S. Immigration and Naturalization inspectors arrive later for another "screening," and they select those who qualify.

The classification is based on categories, according to priorities, meaning those who are in dangerous situations, those who have worked for U.S. Government agencies or private organizations, and those who have close relatives in the United States.

"However, we do not know if they are contras or not. Perhaps many of them, or their relatives, have come because many other people have been coming—and we expect more given the results of the summit," Eng Chirinos said.

The CIM is a humanitarian organization of 35 member states and 17 observers, and its headquarters are located in Geneva, Switzerland. The organization will try to comply with the Tela agreements, which call for "an organized and harmonious demobilization to third countries or to Nicaragua," the CIM representative said.

He added that the CIM and the UNHCR, twin organizations that were created in 1951, are preparing to help in the implementation of the agreements reached by the five Central American presidents.

Chirinos said: The U. S. contribution will be to accelerate the procedures followed in the CIM to quickly handle requests for asylum.

"Once the CIAV [International Verification and Follow-Up Commission] is created, it will surely look to us for help to carry out an orderly demobilization," he said, and added that the CIM will prepare itself by conducting

a census of all the foreigners in Honduras "so that the government may know how many illegal and legal aliens there are from other countries."

## Nicaragua

### Soviet Envoy Confirms Halt to Arms Shipments

*PA1908003289 Buenos Aires REUTER in Spanish 2236 GMT 18 Aug 89*

[Text] Managua, 18 Aug (REUTER)—Soviet Ambassador to Nicaragua Valeriy Nikolayenko today confirmed the Soviet Union's suspension of shipments of weapons to Nicaragua, and he indirectly urged the United States to stop providing military supplies to Central America.

"We think it is time to demilitarize this region. It already has enough armaments," Nikolayenko said, adding that his country stopped shipping weapons to Nicaragua at the beginning of the year.

"We expect reciprocity from the powers that continue sending weapons to Central America," he said.

The Nicaraguan Defense Ministry said this week that the suspension has not weakened its Army because it already had most of its heavy armament.

Asked if Moscow will maintain the suspension, Nikolayenko said that this "depends on the development of the situation and the attitude of other powers which continue to send weapons to Central America."

U.S. Charge d'affaires John P. Leonard, who attended a reception held in Nikolayenko's residence, said that Washington is "carefully" studying the Soviet Union's alleged suspension.

The United States has supported the Nicaraguan rebels with money and, until recently, with armaments, in their 8 years of fighting the Sandinist government. Washington is the main supplier of arms to Honduras and El Salvador.

Nikolayenko said the Soviet decision to suspend the shipment of weapons to Nicaragua was a gesture of good will to promote the peace process in Central America.

Last week in Honduras, the five Central American presidents agreed to demobilize the approximately 12,000 contras before 8 December. Most of them are in Honduras.

### President Ortega Addresses Women's Meeting

*PA1908030289 Managua Radio Sandino in Spanish 0029 GMT 19 Aug 89*

[Speech by President Daniel Ortega Saavedra during meeting with "all of Nicaragua's women's organizations," at the Olof Palme Convention Center in Managua—live; broadcast in progress]

[Text] ...participating in education programs, participating in the production of goods, participating in building community projects, we have women in rural areas and city neighborhoods at different points in our country. Women, rifles in hand, are defending their rights and their revolution. Women are also in the area of production and are doing social work. In sum, here we have an in-depth study, which you yourselves submitted, on women's major achievements during these 10 years of revolution. These are major achievements for Nicaraguan society as a whole. We must consider that in the past women never had the opportunity to express themselves. She did not have the right to express herself. Why? Because the people did not have the right to express themselves, and women are part of the people. If the people are denied the right to speak and express themselves, women, as part of the people, could not express themselves and speak either. She could not become organized. She had no right to protest. She had no right to aspire to better conditions. In the past, women were exploited—just like men—and were alienated —just like men.

Nicaragua's huge population was exploited and alienated by the capitalist and imperialist regime that prevailed in our country for a long time. All that changed with the revolution. It has changed in a spectacular manner. Women are now playing a vanguard role in the struggle to defend revolutionary power; that is, the struggle to defend peace. They also brought up their specific problems. No doubt women have specific problems that society as a whole must tackle. As we said in the statement [not further identified], women may face problems that affect all Nicaraguans. As long as those problems are there, as long as those problems are not solved, we have problems which the revolution has not solved and which Nicaraguan society has not resolved. All Nicaraguans have the obligation to focus our efforts on overcoming those problems.

These problems go hand in hand with other problems affecting different sectors of society. It has not been easy to deal with and solve a number of problems in these 10 years because of the full-blown aggression and war. The time we could have spent on developing our economic projects, our productive projects, and social projects, we had to spend defending our revolution with arms. The women have been there defending the revolution with arms.

In objective terms, the aggression has conspired against the right of the Nicaraguan people to have a minimum of stability and normalcy or to live in normal conditions and have political order to undertake economic and social programs and discuss problems existing in Nicaraguan society, as the ones you are tackling. We could tackle women's specific problems much better without war or aggression. But what happens? For a mother, the chief problem is without a doubt peace. As long as there is no peace . . . .[changes thought]. If clashes with the Yankee mercenary forces continue, if Nicaraguan young men—if young men and women—continue to run the risk of dying, if peasants —peasant women included—continue to run the risk of dying...[changes thought]

When contras attack a rural town, when contras attack a cooperative, or when the contras ambush a bus, they are not asking who is there. We have a very long list of mothers killed by the contras or injured during contra attacks. We have a long list of peasant mothers who have died in clashes against contras, defending their cooperatives and towns. I was in Pantasma recently. During that well-known attack of 1983, 48 persons were killed, counting men, women, and children! Forty-eight persons. So it stands to reason that the chief task of women and all Nicaraguans is to reach peace.

All of you have repeated in your statements the topic of peace. This problem has not been solved yet. We can say that it is not because of lack of commitment on the part of the Central American presidents. It is not because of lack of commitment on the part of the Honduran Government. It is because of lack of commitment on the part of the Yankee government. It is chiefly to blame for the failure to reach a definitive peace. It is they who are adamant about keeping the mercenaries in their camps or infiltrating them inside Nicaragua.

It is good for us to be aware that one of the current plans the contras are carrying out now, directed by the Yankees, is to infiltrate into our territory at least 3,000 contras. Somozist Guardsman Enrique Bermudez has said that too, so we cannot stand idly by in the face of that sort of action. I said in Pantasma that in the face of that sort of action the truce will end. I am sure that the fighters of the Sandinist People's Army, the Interior Ministry, the Battalions for Unconventional Warfare, the fighters organized all over the country in territorial companies, peasant men and women, all Nicaraguans, and all women are ready to take up their weapons to end once and for all the contras who are trying to revive the war in our country.

We are close to peace. We cannot accept that kind of provocation that once again puts the issue of war at the forefront.

When we are about to win the war, when we are putting an end to the aggression, the Yankees then try to reactivate the war. This is dangerous. I would say we are on the verge of the final battle to once and for all put an end to the counterrevolution, if they do not accept the peaceful demobilization which the Central American presidents have agreed on. This imposes a tremendous task on the Nicaraguan women, on the Nicaraguan mothers. We must redouble our efforts so that peace will become a total reality in our country. This point, I repeat, is well covered in the document, but it is important that we be very clear about the risks we are running.

We have monitored information from the contras through the sophisticated communications system the Yankees have given them about the contras infiltrating Nicaraguan territory. Fighting continues to take place in northern points of the country, because the contras refuse to accept the truce. However, now, at this point, when the withdrawal of the contras from Honduras has been brought up, when this has been decided by the Central American presidents, when the United Nations and the OAS have been called to form part of a mechanism of verification, then we cannot allow the Yankees and the contras to put the contras inside Nicaragua in order to activate the war again.

We must all be prepared for a final battle. Naturally, under such circumstances, we would have to suspend the truce. We could not maintain a truce. We would be naive; we would be giving the contras an opportunity. They want to take advantage of that situation in order to enter here. They know that when they have tried to enter our country, they have encountered the resistance of the people and the combat readiness of our Army, and they have had to go back to Honduras. If Honduras truly complies and closes the doors on the contras, then the contras who enter here looking for war will not be able to leave. They cannot leave.

Now, the contras who enter the country seeking to lay down weapons and to turn themselves in, can enter. The contras must understand, once and for all, that they lost the war. We are not going to negotiate anything with those who lost the war. They have no other choice but to surrender before the people and accept the opportunity that the people are giving them to join the peace process.

The contras are being told they can return to the country, their crimes are being forgiven, they will not have to go to jail, they are not going to be brought before trials, they will be able to work in peace, they will be able to receive economic support. What more do these people want? We have nothing to negotiate with the contras. They have no other choice but to accept the surrender of the counterrevolution. Actually, nothing more must be said.

In Tela, the Yankees did not want to accept it. That is why we cannot forget the threat hovering over all of these countries if the war is reactivated. We cannot forget the obligation all Nicaraguans of holding our position in the defense of the revolution so we will put an end, once and for all, to Yankee aggression and the mercenary forces. By hook or by crook, we must comply with Tela.

## Ortega Leading Polls as Most Popular Candidate

*PA1808144889 Managua Radio Sandino in Spanish 1214 GMT 18 Aug 89*

[Text] Opinion polls carried out by private institutions reveal that the Sandinist National Liberation Front [FSLN] with Daniel Ortega as president, will continue in power.

Cirilo Otero, director of the Nicaraguan Institute of Public Opinion [INOP], said that in its second poll, entitled Elections and Democracy, the FSLN has held onto its lead by a high percentage over the many existing parties. Otero said that 1,500 people from 28 municipalities were interviewed.

[Begin recording] [Otero] I can mention some of the answers given by those polled. We asked 21 questions, including: Which party's presidential candidate would you vote for? The results were as follows: FSLN, 37 percent; Independent Liberal Party, 4 percent; UNO [National Opposition Union], 3 percent; Democratic Conservative Party of Nicaragua, 3 percent; Social Christian Party, 1 percent; Social Democratic Party, 1 percent; Popular Social Christian Party, 1 percent; other parties, 3 percent; no preference, 19 percent; and undecided, 28 percent.

We also asked: Would you vote for armed resistance candidates? The results were as follows: yes, 8 percent; no, 79 percent; other answers, 1 percent; undecided, 12 percent.

[Reporter] Did the poll include a question on individuals, such as Daniel Ortega for president?

[Otero] Of course. Question 12 asked: Whom would you would vote for as president of the Republic? Daniel Ortega, 26 percent; Violeta Barrios de Chamorro, 6 percent; Tomas Borge Martinez, 5 percent; Sergio Ramirez Mercado, 2 percent; Virgilio Godoy, 2 percent; Enrique Bolanos, 1 percent; Clemente Guido, 1 percent; other FSLN candidates, 3 percent; Social Christian candidates, 1 percent; valid candidates, 3 percent; undecided, 16 percent.

## Sandinists Possess Lead in Election Poll

*PA1808194189 Managua Radio Catolica in Spanish 1130 GMT 18 Aug 89*

[Report on interview with Institute of Public Opinion (INOP) Director Cirilo Otero at the station studio on 18 August—live]

[Text] [Otero] We have just concluded the second public opinion poll on the elections. As we explained about 2 months ago, we plan to do about eight of these polls on the elections. We entitled this second poll Elections and Democracy in Nicaragua. This poll was taken at 28 municipalities, but only in the central and Pacific regions of the country. We questioned 1,664 people out of which 164 people rejected the questionnaire. Those who rejected the poll were mostly males between 15-24 years of age or over 40.

The questionnaire contained 21 questions that identified and classified the person polled, to observe his willingness to take part in the elections, and we also wanted to test for any particular person or party he or she might admire or prefer for president.

We have the results and, briefly speaking, we could say that out of 1,664 people polled, 51 percent were men and 49 percent were women. We had three age groups: 16-24, 25-40, 40 or older. Some of the questions we could start discussing pertain to the country's political and economic situation, such as question number 10 which asked the person polled if he or she agreed that the United States should offer financial backing to the Nicaraguan opposition parties during the elections: 32 percent said yes, 51 percent said no, 1 percent said the law should be obeyed, and 15 percent did not know what to reply.

Further along, when we asked what political parties they would vote for president, they answered: 37 percent for the Sandinist National Liberation Front [FSLN], 4 percent for the PLI [Independent Liberal Party], 3 percent for UNO [National Opposition Union], 3 percent for the PCD [Conservative Democratic Party], 1 percent for the Social Christian Party [PSC], 1 percent for the Social Democratic Party [PSD], 1 percent for the Popular Social Christian Party [PPSC], 3 percent for other opposition parties, 19 percent for no party at all; 28 percent said they did not know.

[Reporter] We understand polls are a scientific study method that in theory, at least, should come close to the truth. However, we see that results vary substantially according to which organization takes the poll. There are several polls that show the opposition more or less in the same place where the FSLN appears in this poll.

Based on those polls, we can conclude that the determining force will be that represented by sectors that at this moment are undecided about which party they will favor with their votes.

However, judging from the poll results of the institute you direct, the FSLN has a big advantage over the other parties. Could this be because some of the your institute's staff members are either Sandinist militants or Sandinist sympathizers?

[Otero] I want to answer your question by saying that, in principle, we respect the way other organizations prepare and implement polls. We respect the way LA PRENSA carried out its poll in a professional fashion. We also believe that the Manolo Morales Foundation also conducted a respectable poll. This goes for other organizations involved in polls, also.

Polls indicate the thoughts or opinions of people at a particular moment. A person may radically change his point of view 5 minutes after expressing an opinion. There are several factors involved in this: political, social, economic, and other factors. The factors could be of a domestic or foreign nature. One most important factor is propaganda—the media. The media exerts much influence.

We could comment on the differences in the results produced by the LA PRENSA poll and our poll. I could tell you that in recent days, the Sandinist Government has been proselytizing intensively, making use of all its resources, of propaganda, of reporting changes, of the trip of the president to Tela, etc. It has been reporting the solutions given to specific problems that Nicaragua has had.

In my opinion, this has served to turn around Nicaraguan public opinion. This is a hypothesis on what has happened.

[Reporter] We believe that the subject of polling is so interesting that it deserves a roundtable discussion that should include other organizations conducting polls in Nicaragua. Our news space is very limited, though. We would like to ask you what the results of your poll on the media are.

[Otero] We asked questions involving the press and the radio media. Concerning the press, we asked: Please tell us what press media you read to be informed on what is happening in Nicaragua. Approximately 20 percent said EL NUEVO DIARIO, 22 percent said BARRICADA, 24 percent said LA PRENSA, 12 percent said all of the above, that is, the newspapers already listed, 20 percent said none, and 2 percent of the people said they did not know what to answer.

Concerning radio news programs, we asked: What radio news program do you listen to most of the time? A total of 15 percent of the people said the Revolution Newscast [Noticiero Revolucion]; 8 percent said the 6 o'clock Newscast [Noticiero Seis en Punto]; 4 percent said 620 Contact [Contacto 620]; 3 percent said the Thinking Newscast [Noticiero El Pensamiento]; 3 percent said The Awakening Newscast [Noticiero El Despertar]; 1 percent said the Atabal Newscast [Noticiero El Atabal]; 1 percent said the 10 o'clock Newscast [Noticiero Diez en Punto].

This was later expanded to include radio stations, because the people thought they were being asked what radio stations they listen to.

### Sandinists To Report Election-Related Moves

*PA1908193589 Managua Radio Sandino in Spanish 1930 GMT 16 Aug 89*

[Interview with Commander of the Revolution Carlos Nunez Tellez, president of the National Assembly, by unidentified reporter; date and place not given—recorded]

[Text] [Nunez] During today's session, we read a letter from Minister of the Presidency Rene Nunez in which the minister reports that over the next few days, his office will be sending to the Legislative Assembly the various bills that have resulted from the national dialogue agreements. I am reorganizing the agenda of the National Assembly to approve those bills as soon as possible by holding daily sessions, if it is necessary.

According to information available to us, the bills will reach the Assembly by next week. One of these bills deals with reforms to the jurisdictional procedures of the Sandinist Police. Another bill involves reforms to the Media Law. These are some of the bills to be discussed first. Today, in line with agreements, we expect to approve the bill on the administration of political divisions.

[Reporter] What is the FSLN doing to win the forthcoming elections?

[Nunez] At this phase we are training our militants and getting our structures ready to win the elections. We are also preparing to hold a convention within the next few weeks. At that convention, the front will announce its candidate, as well as its elections platform.

[Reporter] Recently Commander Bayardo Arce said that the FSLN will restructure the positions of its cadres and militants. When will this happen, Commander?

[Nunez] We have not yet set a date for that. We are going through a preparations phase. We will begin the restructuring process on 25 August, which is when the political mobilization phase begins.

[Reporter] Politically speaking, what does a restructuring of the front mean?

[Nunez] In my opinion it means, first, a continuation of the revolutionary effort with renewed energy in the economic field to overcome the crisis and to fulfill the program we have set for ourselves this year, and also to secure the participation of cadres to organize and establish the presence of the FSLN throughout the country to overwhelmingly win the elections.

[Reporter] What party represents the most serious election challenge to the FSLN?

[Nunez] I personally believe that it depends on what the parties do. At this moment it is difficult to say what they will do because it has not been clearly established how the parties will finally enter the elections arena, but I have said before that, in my opinion, the parties that form a coalition will have more opportunities than those going it alone.

In my opinion the FSLN is the only party in this country that has enough support to win the elections by itself. The other parties cannot wage a civic struggle against the FSLN if they go it alone.

[Reporter] Are you going to maintain the historic guidelines of the FSLN?

[Nunez] Yes. We will maintain the historic platform of the FSLN. We have not completely implemented it yet. We have won our most important objective—peace for our country. However, we have much to do yet, especially in the field of economic and social recoveries.

[Reporter] Thank you, commander. [end recording]

### RN's Ferrey Announces Return for Elections

*PA1808134789 Managua Radio Sandino in Spanish 1200 GMT 18 Aug 89*

[Text] Roberto Ferrey, one of the members of the the so-called Nicaraguan Resistance [RN], yesterday announced that in the next few days he will return to Nicaragua to participate in the country's electoral process that will end with the February 1990 elections.

Ferrey conveyed his decision to Cardinal Obando y Bravo, president of the Nicaraguan Episcopal Conference, and to OAS Secretary General Joao Baena Soares.

Although in his letter Ferrey claims that his return to Nicaragua should not be considered as a disclaimer or denial of the full support deserved by the contras, the truth is that—as has been the case with other contra leaders—his decision is further proof of the contras' breakdown, because its main leaders have been forced to split in view of the failure of the U.S. warmongering policy against Nicaragua, and in view of the peace efforts in Central America.

Ferrey, another of the seven contra directors who will join Nicaragua's political arena, said: This will be my small contribution to this new form of electoral struggle. Azucena Ferrey and Alfredo Cesar did so months ago.

### UNO Presidential Hopefuls Reach Agreement

*PA1808164189 Managua Radio Catolica in Spanish 1130 GMT 15 Aug 89*

[Text] The four opposition leaders with best chances of becoming the National Opposition Union [UNO] presidential candidate have reached an important agreement—they are willing to accept the nomination, if chosen by UNO, and vowed to unanimously support whoever is nominated. Violeta Barrios de Chamorro, Virgilio Godoy Reyes, Enrique Bolanos Geyer, and Eligio Alvarez Montalvan have stated that they are willing to accept the presidential nomination and reached an important political agreement for the sake of opposition unity.

[Words indistinct] people view these leaders as the persons with best chances of becoming the UNO presidential nominee. They reached this agreement at a dinner recently in Managua, where they discussed important issues.

Chamorro, Godoy Reyes, Bolano Geyer, and Alvarez Montalvan jointly discussed, for the first time, their chances of becoming candidates and the circumstances surrounding such a selection.

It must also be noted that Cardinal Miguel Obando y Bravo and Msgr Bosco Vivas, auxiliary bishop for the Managua Diocese also attended the dinner. Others participating in this dinner were: Alfredo Cesar, leader of the Social Democratic Party, and LA PRENSA director Cristiana Chamorro.

### Contra Chieftain 'Juan Caballo' Killed

*PA1808213989 Managua Radio Sandino in Spanish 1930 GMT 16 Aug 89*

[Report by correspondent Juan Carlos Sarmiento from Matagalpa—recorded]

[Text] A contra chieftain known as Juan Caballo was killed in combat a few days ago during a clash with Sandinist People's Army troops in (Tierraguas), Matiguas. Juan Caballo, who was from that area, had been chief courier for the last 5 years. While the main contra chiefs are requesting political asylum at the U.S. Embassy in Honduras, the chieftains and the mercenary commando groups who are active inside our country frequently clash with our Army troops.

During a meeting recently held at Pantasma, President Daniel Ortega Saavedra urged them to lay down their weapons and thus prevent further bloodshed.

### Defense Ministry Reports Contra Attacks

*PA2008005089 Managua Domestic Service in Spanish 2321 GMT 19 Aug 89*

[Communique issued by the Public and Foreign Relations Directorate of the Defense Ministry on 19 August in Managua—read by announcer]

[Text] On 16 August mercenary groups attacked our troops in Santa Rosa, located east of La Choluteca, autonomous region of the South Atlantic region, slightly wounding one comrade.

On 18 August they attacked our troops on El Sombrero Hill, west of Waslala, Matagalpa Department, wounding one comrade.

Terrorist actions against the civilian population and economic targets: On 17 August, mercenary groups killed a civilian in El Zapotilla, northwest of Quilali, Nueva Segovia Department.

Issued in the city of Managua on 19 August 1989

Public and Foreign Relations Directorate of the Defense Ministry

## Panama

### Reportage on OAS Sponsored Tripartite Dialogue

#### ADOC States Terms After Withdrawal

*PA1808153989 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Aug 89 p A-1*

[Text] The Civic Democratic Opposition Alliance [ADOC] withdrew from the tripartite dialogue yesterday, because of the "worsening of the political crisis as a result of government measures adopted after 17 May." The announcement, initially made by Dr Romulo Escobar Bethancourt, government representative in the talks that are being held in the Vallarino Building, establishes an impasse in the OAS-sponsored dialogue.

The debate began at approximately 1000 in the morning with the attendance of the three parties—COLINA [National Liberation Coalition], ADOC, and the government, including the Panama Defense Forces. The proposal by COLINA was read by Carlos Duque Jaen and was expanded upon by Ramon Sieiro and Aquilino Boyd.

Escobar Bethancourt said that after the proposal was read, the ADOC delegates asked questions to clarify concepts. After this, the ADOC voiced its objection to the proposal by its counterpart.

Escobar Bethancourt said that the ADOC representatives voiced their unwillingness to continue to meet yesterday afternoon. They made the upcoming meetings with their counterpart contingent on the results of efforts being made before the OAS secretary general.

The ADOC wants diplomat Baena Soares to urge the government to end what it considers restrictions on freedom of expression, reiterating its charge in the case of RPC radio and television, the assets of which were impounded by the Finance and Treasury Ministry for tax evasion.

Another of ADOC's complaints is that all the mayors elected by the opposition in the 1984 elections have been removed by the government.

Sieiro told national and international newsmen that the ADOC insists that it won the 7 May elections, but reiterated COLINA's position in the sense that these elections were annulled by the Electoral Tribunal in a constitutional decision, according to a Supreme Court ruling.

COLINA reiterated to ADOC yesterday the need to join in forming a provisional government, which would soon establish a date for new elections.

"We have no intention of breaking off the dialogue," Escobar Bethancourt stated when asked if the dialogue would continue. He noted, however, that for the dialogue to continue, it requires the consent of all parties.

For his part, Dr Ricardo Arias Calderon said that the proposal to form a new government will include COLINA, ADOC, and the Arnulfista Authentic Panamenist Party and would seek to hold elections "without noting the date of these elections."

The PDC leader regarded this formula as unconstitutional," [no opening quote as published] a position supported by Endara, who voiced the hope that Baena Soares would succeed in the efforts entrusted him by the ADOC.

"When we agree (to continue the dialogue) we will advise them (COLINA)," Endara Galimany declared.

#### 'Last Attempt' Talks Resume

*PA1808185289 Panama City Cadena Exitosa in Spanish 1700 GMT 18 Aug 89*

[News conference by Carlos Duque, former COLINA National Liberation Coalition presidential candidate, former ADOC Civic Democratic Opposition Alliance presidential candidate Guillermo Endara and vice presidential candidate Ricardo Arias Calderon in Panama City, on 18 August]

[Text] [Begin recording] [Carlos Duque] The procedure calls for the moderator or person presiding over the meeting—I am presiding over today's meeting—to summon participants to the meeting. I called for today's meeting yesterday because the recess requested by the members of the ADOC was only for yesterday afternoon.

[Reporter] Is it possible then, that the [words indistinct] the sides are showing true interest in resolving the Panamanian crisis?

[Duque] I hope so. Yesterday we analyzed COLINA's proposal in depth, we discussed it. The proposal was rejected by the ADOC, but we will continue discussing it this morning. In the afternoon another proposal will be presented, until we come to the final proposal, which was sent by the Executive Branch.

This is what a dialogue is all about. Its purpose is to consider all the proposals and seek solutions that will lead to a national agreement. I sincerely believe that this is what the people and country need. The Panamanian people should take a long look at our future. I believe that a national agreement and a broad-based government would be the best solution. I will say once again that Panama has practically been invaded by foreign troops.

[Reporter] Mr Duque, if the opposition's proposal in response to COLINA's proposal fails, what would be the next step taken by the opposition parties, the Executive Branch, and the Panana Defense Forces?

[Duque] If COLINA's proposal is rejected, we would obviously discuss the proposal presented by the ADOC. Every aspect of the proposal will be discussed and studied. [end recording]

Meanwhile, opposition leader Guillermo Endara Galimany, referring to the efforts by the OAS secretary general with the Executive Branch, stated:

[Begin recording] [Endara] We have not established conditions. We asked OAS Secretary General Baena Soares to make efforts regarding freedom of expression. The government, the Executive Branch, promised OAS Secretary General Baena Soares that Channel 4 [Circuito RPC television] under the new administration will maintain the open policy of freedom of expression. That promise was made by the Executive Branch to Mr Baena Soares. We hope that they will fulfill it, although we do not have much faith that they will.

[Reporter] Regarding the COLINA proposal that will be discussed again, what is the position of the opposition?

[Endara] We already rejected it. We already established our position and I think we advised you of it.

[Reporter] Regarding the violation of human rights, what did Baena Soares say?

[Endara] The Executive Branch promised him that the human rights situation would improve noticeably. [end recording]

Also, Ricardo Arias Calderon said that they have returned to the dialogue in a last attempt to seek a democratic solution to the country.

[Begin recording] [Arias] We have returned to the dialogue under the auspices of the OAS in a last attempt to seek a democratic solution.

[Reporter] Otherwise, what will happen?

[Arias] God will provide. [end recording]

### Duque, Ford Comment on Results

*PA1908004489 Panama City Cadena Exitosa in Spanish 2214 GMT 18 Aug 89*

[Text] [Reporter Maribel Saldana] The tripartite dialogue continues although no consensus has been reached regarding the three proposals presented by COLINA [National Liberation Coalition], ADOC [Civic Democratic Opposition Alliance], and the Executive Branch. However, the three parties agree on the need to find a solution to the crisis affecting the country.

OAS Secretary General Joao Baena Soares and Ecuadoran Foreign Minister Diego Cordovez are attending the meetings.

PRD [Democratic Revolutionary Party] leader Carlos Duque said that at this time the dialogue is at the stage in which the parties are trying to achieve a national accord based on the three proposals.

[Begin Duque recording] The three proposals have been discussed. However, no consensus has been reached regarding the proposals made by COLINA, ADOC, or the Executive Branch. This does not mean that the dialogue will be interrupted. It will continue, and we will extract the positive parts of each proposal in order to find a conciliatory formula. [end recording]

[Saldana] Regarding the points in which no consensus has been reached, Duque said:

[Begin recording] [Duque] We propose as a condition an end to the economic and military aggression against Panama. We feel that in order to have a climate in Panama in which full liberties can be exercised, those constant attacks by the U.S. Government must stop. We also demand a stop to the meddling and intervention of other countries in Panamanian affairs.

[Reporter] What are the points that have been agreed on?

[Duque] We all agree on the need to establish a new government, and that the country must find solutions for the current crisis. We agree on those points. I would prefer not to mention the conflicting points, but I can say this: COLINA presented its proposal, which was objected to by both the Executive Branch and the parties comprising ADOC. The ADOC presented its proposal, which calls for the recognition of the 7 May elections and a plebiscite on 20 May. There is no consensus on this either, and the proposal is rejected. The Executive Branch also made its proposal, which in my opinion is the best proposal, as it calls for the creation of a government of unity with broad participation. [end recording]

[Saldana] Meanwhile, Romulo Escobar Bethancourt, who represents the Executive Branch in the tripartite dialogue, said:

[Begin Bethancourt recording] We objected to one point in COLINA's proposal, because it suggested the installation of a national reconstruction government in which each one of the political groups would be represented. In other words, it would be made up of a representative from COLINA, ADOC, and the Arnulfista Authentic Panamenista Party. The Executive Branch objected to these criteria and stated that it must be a government of broad participation. We said that, for the Executive and the Panama Defense Forces, a government of broad participation means the integration into that government of forces that without being political parties play an

important role in the country's political life. One of those forces is the People's Unity Front, which was created during the most critical time of the destabilization campaign. The corregimiento representatives are another example, as they represent a real force. [end recording]

[Saldana] Opposition leader Guillermo Ford said that what has been agreed on so far is the need to establish formulas to end the crisis. He added that ADOC maintains its original position, which demands a recognition of the 7 May elections.

[Begin Ford recording] There was no consensus on any of the three proposals. ADOC disagreed with the presentation and contents of the proposals made by COLINA and the Executive Branch. Consequently, we have agreed that what must be done now is to establish specific parameters in order to find a mechanism to settle [dirimir] the conflict. ADOC's position is that the Panamanian people should settle the conflict by deciding which formula it prefers. We also reiterate that ADOC maintains its original position, which calls for the recognition of the 7 May elections, absolute respect for human rights, and General Manuel Antonio Noriega's departure. Because the three proposals are irreconcilable, we will insist in this afternoon's dialogue on the need to establish mechanisms so that the Panamanian people can settle the controversy by choosing between the three proposals. [end recording]

[Saldana] Regarding the ADOC's proposal to call for a plebiscite Ford said:

[Begin Ford recording] We have reiterated that the plebiscite is the most democratic way to settle this controversy. We are ready for it anytime. This morning we were notified that there are printing offices capable of printing the ballots to choose between the two or three formulas. In other words, there is time from now to 1 September for the Panamanian people to, one, choose between the formulas or, two, should ADOC's formula be ratified, the Electoral Tribunal can revoke the annulment of the elections and immediately proceed to count the vote tally sheets that the Episcopal Conference is holding in custody. [end recording]

[Saldana] Regarding the participation of the OAS in the dialogue, Ford said:

[Begin Ford recording] I think that the OAS, which is continuing its mission and trying hard to reach a reconciliation formula, can also conduct bilateral efforts among the sides and suggest what they feel could be the most practical mechanisms. We proposed that today, and the proposal has been well received. It is not only through the formal part of the tripartite dialogue with the OAS presence that results can be achieved. Perhaps they could also conduct negotiations or find suggestions on a bilateral level among the parties involved in the dialogue. [end recording]

## PRD on Sovereignty, Noriega

*PA1908040789 Panama City Cadena Exitosa in Spanish 2220 GMT 18 Aug 89*

[Statement by Darinel Espino, Panamanian Democratic Revolutionary Party (PRD) secretary general, during a meeting with PRD rank and file leaders at the ATLAPA Convention Center in Panama City on 18 August—recorded]

[Text] We have aspirations, and this has been [words indistinct] work. Sovereignty has been conquered and is always supported by effort and work. There is nothing we Panamanians defend with more determination, passion, and pride than our freedom. I am conveying to you the message from the CEN [National Executive Commission] of PRD: We will not negotiate the fundamental values, the patrimony of our people, or our party. We will neither yield nor negotiate our sovereignty, dignity, or General Manuel Antonio Noriega. Our negotiators have reiterated that we aspire to develop our relations based on living and letting others live while maintaining our dignity and sovereignty.

We want to stop the aggression. That is our desire. However, if the aggression does not cease, a confrontation is inevitable. We will not be forever on the defensive and let the adversary take the initiative. We are going to establish an offensive strategy. We will lead our society to a victory without a war. We are not going to make the same mistake of reducing our surveillance once tension with the imperialism has diminished. We have learned the lesson. From now on, we Torrijists are starting the offensive until the year 2000. People will make no more sacrifices. We have faced this war by struggling with dignity.

Today more than ever it has been proven that U.S. policy has been inconsistent, contradictory, defensive, and based on the big stick policy. It has been full of fits of madness, of swaggering like that by [U.S. Army South Commander Marc] Cisneros, of howling, confusion, and a desire to destroy, and all because of the U.S. interest in the canal areas.

## Reconciliation Proposal Reviewed

*PA1808234989 Panama City Cadena Exitosa in Spanish 2220 GMT 18 Aug 89*

[Report by Angel Cordero—passages within quotation marks are recorded]

[Text] The Panamanian regime's leading party, the Revolutionary Democratic Party [PRD], analyzed a proposal today to form a reconciliation government on 1 September that would hold constituent assembly elections in 2-3 years, and presidential elections later on.

PRD leader Pedro Pereira presented the proposal on behalf of the PRD's National Executive Council at a PRD Directorate assembly, after warning about the

grave problems encountered in the current OAS-sponsored dialogue between the government, the military, and the opposition. The reconciliation government, termed as provisional, would be comprised of the groups which support the regime's current nationalist program and, eventually, by opposition leaders who accept the proposal.

According to the project analyzed by the PRD, the new government should thoroughly reform the Constitution, changing the structures of the executive, judicial, and legislative branches. Pereira mentioned the possibility of creating a constitutional reforms committee or of the new government organizing constituent assembly elections and then holding presidential elections later on.

Pereira said the new government will have to face the U.S. economic and military aggressions with a policy that defends the country's sovereignty because, in his opinion, provisional solutions would only prolong the crisis which has prevailed in the country for 2 years. He added that the PRD must give the country a solution to the crisis given that the opposition is looking for a justification to disrupt the dialogue.

Pereira agreed with opposition leader Guillermo Endara's statement and said that practically irreconcilable positions have been adopted at the negotiations. The dialogue sponsored by the OAS has been constantly interrupted but was renewed today in a pessimistic atmosphere. Opposition leader Ricardo Arias said that this is the last attempt to find a democratic solution to the crisis.

PRD Assistant Secretary Pedro Pereira said the party feels any alternative which may arise by 1 September must wage a struggle for our society.

[Pereira] "The party is prepared to offer realistic alternatives to the Panamanian society in order to make changes possible and solve the great problems afflicting the country."

[Cordero] "You talk about alternatives for a change. What kind of changes are you talking about?"

[Pereira] "Look, we are currently facing a political, economic, and military aggression, and our people have suffered the aggression. The people's future and life expectancy have been limited—as far as improvement is concerned. We believe that any alternative which may arise on 1 September must be aimed not only at waging a struggle for our national independence and liberation but also for the social changes that our country needs. That is what we are talking about."

[Cordero] "There is talk about a formula to legitimize a new government in our society's eyes and to make this new government more dynamic. Do you think this formula refers to a reconstruction junta?"

[Pereira] "Look, you know that the PRD is part of COLINA [National Liberation Coalition], which is currently participating in the tripartite dialogue. As members of COLINA we have presented a proposal at the negotiation which is a proposal for a government of national reconciliation. The document includes our offer for political groups to participate in seeking a solution to the political situation. That is what we are talking about when we refer to a political solution that offers stability to the country. It is based on the proposal that we presented at the tripartite dialogue."

[Cordero] "Where will the proposal be presented—to the Executive Branch or at the dialogue?"

[Pereira] "No, these are proposals from the party. It means that the party's rank and file will struggle so that these ideas and proposals become a reality."

[Cordero] "What are the details of your formula?"

[Pereira] "You know that COLINA presented a proposal. It includes an appropriate formula, and if ADOC [Civic Democratic Opposition Alliance] accepts it then it would be approved at the dialogue."

[Cordero] "What about the economic proposal presented [words indistinct]?"

[Pereira] "An economic proposal was presented. It is actually an economic program in which the minimum and maximum requirements are outlined; in other words, what the PRD believes should be carried out in the economic sector by the government that is installed on 1 September. This was discussed by 18 commissions that were appointed by the party to analyze the different sectors of our national life. Those commissions presented their proposal, which outlines the changes to solve the grave problems which afflict our country."

"Likewise, we organized a political debate to discuss the guidelines of what the party considers should be the alternative to the situation that will arise on 1 September. This involves the guidelines that the party should follow to offer an alternative to the Panamanian society and the world."

### Members To Give Noriega Power

*PA1908004789 Panama City Televisora Nacional in Spanish 2358 GMT 18 Aug 89*

[Text] The Revolutionary Democratic Party's [PRD] highest leaders met today to discuss the national dialogue issue, the party's economic problems, and to review reports from the special commissions named by the PRD National Executive Committee [CEN]. In addition to the CEN, the PRD political commission, the

national secretariat, provincial presidents, political coordinators, provincial and district electoral coordinators, presidents of the special commissions, and the members of the Panama Province special commission also attended.

During the meeting, the rank and file leaders demanded that the party's highest authorities answer their demands. The rank and file leaders also proposed solutions to the difficult situation the country is enduring. They also expressed their dissatisfaction because decisions have not been made concerning the critical sociopolitical and economic times Panama is enduring. The rank and file leaders demanded that actions be taken in view of the liberation struggle Panama is waging against the United States.

One of the rank and file leaders proposed that full powers be given to General Noriega and that he be recognized as the head of government so that he—as General Omar Torrijos did during the signing of the Torrijos-Carter treaties—may stop the current situation and solve the political problem. The proposal was applauded by the rank and file leaders attending the meeting.

The CEN directors later discussed every one of the proposals and reiterated the party's position regarding the current situation.

### Ritter on Agreement Prospects

*PA1908015289 Panama City Circuito RPC Television in Spanish 2327 GMT 18 Aug 89*

[Statement by Foreign Minister Jorge Ritter in Panama City on 18 August—recorded]

[Text] The dialogue is being held. It is being held, but I do not know if we will reach a national agreement. I do not know if we have enough time to meet the 23 August deadline either. Nevertheless, I certainly believe the government proposal shows there is political will to reach a national agreement. I believe the moment the parties involved accept that the reality is that we need to establish a national coalition government or a national reconstruction government—whatever it may be called—then we will be taking the steps toward reaching a national agreement.

I also believe that as long as some insist on the idea or even on the possibility that the 7 May election results be reconstructed—which were already held and annulled—we will not be on the path to reaching a negotiated solution.

### Arias Announces New Dialogue Format

*PA1908012889 Panama City Telemetro Television in Spanish 0014 GMT 29 Aug 89*

[Excerpt] A new variable has surfaced in the tripartite dialogue conducted by the special OAS mission in Panama.

Late this afternoon the Panamanian military, the Civic Democratic Opposition Alliance [ADOC], COLINA [National Liberation Coalition], and the government agreed on a new form of dialogue which will include separate and alternate meetings between the OAS mission and each of the parties involved in the dialogue.

The new form of dialogue, which will be promoted by the OAS foreign ministers mission, will begin on 19 August and will continue through Monday, 21 August. The new form of dialogue was explained in more detail by opposition leader Ricardo Arias Calderon after he stated that the proposals presented in the dialogue are irreconcilable.

[Begin Arias recording] This afternoon the parties involved in the dialogue agreed that it was preferable that the OAS foreign ministers conduct their mission differently. Instead of continuing with the formal discussions in which the three parties involved have been participating, the mission will meet with ADOC, then with COLINA, the Executive Branch, and the Panama Defense Forces, while alternating its meetings with one party and the other to try to find new elements in the discussions. [end recording]

### Mission Meets With Both Parties

*PA1908180089 Panama City ACAN in Spanish 1650 GMT 19 Aug 89*

[Text] Panama City, 19 Aug (ACAN-EFE)—The OAS mission that is in Panama to mediate the political crisis that affects this country today initiated separate conversations with the opposition and the government.

OAS Secretary General Joao Baena Soares and the foreign ministers who comprise the mission met first with the main opposition leaders, while the representatives of the government and the Panama Defense Forces [FDP] waited for their turn to meet with the mediators in another room.

The Panamanian "national dialogue," which began on 16 July with the participation of all the parties in conflict following the annulment of the [7 May presidential] elections, was replaced yesterday by separate bilateral OAS mediation with the government and with the opposition. The decision to do this was adopted after a suggestion by the OAS when both government and opposition leaders said that their positions were "irreconcilable."

In public statements, however, the government, as well as its adversaries and the members of the OAS mission, still view with "optimism" the possibility of reaching a negotiated solution to the Panamanian crisis.

The government's representative, Romulo Escobar Bethancourt, reiterated this morning his "hopes for a peaceful solution," based on talks promoted by the OAS.

Opposition leader Ricardo Arias last night spoke in the same tone by affirming that the new separate-meetings system "is evidence of the will to try until the last minute to find a peaceful and democratizing solution for our country."

Contrasting with this official "optimism," spokesmen for the opposition and the regime are in private increasingly pessimistic, and claim that the "intransigency" of their adversaries could possibly disrupt the dialogue.

The opposition continues to demand the departure of General Manuel Antonio Noriega and the government demands, as a prior condition to any negotiations, that U.S. economic sanctions and political and military pressure against Panama end.

Romulo Escobar reiterated today upon his arrival at the site where the meetings are taking place, that one priority task of the "national agreement" proposed by the government must be "the ceasing of U.S. military aggression."

In this context, the OAS foreign ministers have started working on the difficult task of reducing the distance between the two positions. They are trying to achieve this by holding "parallel" talks with the sides in conflict. These talks are being viewed as a last and desperate attempt to promote an agreement prior to the meeting the OAS is to hold in Washington on 23 August.

Ecuadoran Foreign Minister Diego Cordovez, president of the OAS mediating mission, has noted that the new talks procedures "permit a broader, more direct conversation," but he refused to say whether or not the OAS will be informing the sides in conflict about proposals, as some observers have commented.

### 19 Aug Dialogue Discussed

*PA2008010189 Panama City Televisora Nacional in Spanish 2341 GMT 19 Aug 89*

[Text] The tripartite dialogue continued today at the Vallarino building with the implementation of a new work method, consisting of separate meetings between the parties in conflict and the OAS mission. The dialogue included the participation of the National Liberation Coalition [COLINA], Executive Branch, the ADOC [Civic Democratic Opposition Alliance] and the special OAS mission representatives. The session began at approximately 1000, as agreed last night upon conclusion of the talks. The first session today ended with the opposition's refusal to form a provisional government that would include the participation of political groups in the country, it was stated by COLINA representative Carlos Duque Jaen.

[Begin recording] [Duque] The opposition refuses to form a provisional government. It refuses to form a provisional government with the rest of the country's political groups. The Executive Branch presented a basic proposal for the creation of a government of broad participation, unity, and national conciliation. The opposition refuses to assume any responsibility or obligation concerning the U.S. aggression and economic sanctions. We asked them to issue a joint declaration condemning the aggressions and sanctions we are being subjected to. I think that the opposition's attitude is quite stubborn because the aggressions and sanctions do not affect specific political groups; they affect all the Panamanian people. Thus, the Panamanians must condemn this type of economic aggression and military harassment. That is all I can say for now. Do you have any questions?

[Reporter] What are their arguments for not signing the joint declaration condemning the maneuvers?

[Duque] Well, it is...[changes thought] they accept condemning the aggression, but within the final package. We think we should pledge...[corrects himself] the U.S. Government should pledge beforehand to lift its sanctions and stop its aggression—its unjust aggression—on Panama. We have stated, and the decision stands, that we cannot accept Washington's demand that General Noriega retire becaue this is an institutional decision. We cannot accept impositions from any country, much less a demand from the U.S. Government. This should be clearly understood.

[Reporter] Do you reiterate that Gen Noriega's retirement is not negotiable under any circumstances?

[Duque] No...[changes thought] I said...in these...I repeat: Gen Noriega's retirement is being demanded by Washington. We cannot accept that under any condition.

[Reporter] Referring to this—

[Duque—interrupting] We—as a political party, as a force ... as a member of COLINA and as a Panamanian—cannot accept anything that harms the Panamanians' sovereignty and dignity. I think that a government's imposition...[corrects himself] demands for the retirement of a given official harms the sovereignty of any country. That is direct interference in affairs which are no concern of the U.S. Government. Above all, we demand the mutual respect that should prevail between governments and countries. [end recording]

Duque Jaen also said that of the three proposals which have been presented, the Executive Branch's proposal is more viable and convenient for the country because it offers the possibility of forming a national unity government. He also said that he shares a concern stated by several journalists because they are not allowed access to the ADOC news conferences at the Vallarino building.

### More on 19 Aug Dialogue Meeting

*PA2008020489 Panama City ACAN in Spanish 0101 GMT 20 Aug 89*

[Text] Panama City, 19 Aug (ACAN-EFE)—It was announced this afternoon that the negotiations with the opposition and the government carried out all day today by the OAS will continue on 20 August. This was the only agreement reached today after 7 hours of separate meetings between the OAS mission with the Panamanian opposition and government.

The OAS mission is attempting to mediate the Panamanian political crisis, which was worsened by the annulment of the 7 May elections which the opposition claims to have won.

On 23 August the OAS will meet again in Washington to examine the Panamanian situation, 1 week before 1 September, when the "transfer of power" suggested by the hemispheric organization should occur. Opposition leader Guillermo Endara termed the negotiations today with the government, through the OAS, as a "constructive test," but he declined to state anything further about the talks.

"One cannot give partial results as long as there are no overall agreements," Endara added. He did not specify, however, if there had been any points of agreement on specific issues.

Carlos Duque, on behalf of the government, said "the day was very productive," terming the new process of negotiation "effective."

An OAS source consulted by ACAN-EFE confirmed that the meetings will continue 20 August at 1000 (1500 GMT), and expressed his conviction that the direct dialogue between the government and the opposition "can be resumed."

Endara added that with the new method of discussion, "they (the OAS mission members) are in the middle of the negotiations."

He explained that the mission members "on four or five occasions" went between the two rooms of the building in which the opposition and the progovernment and military delegations resided, respectively." Brazilian Joao Baena Soares, OAS secretary general, Diego Cordovez, Ecuadoran foreign minister, and Sahadeo Basdeo, Trinidad and Tobago foreign minister, are attending on behalf of the OAS.

The Panamanian "national dialogue" began 16 July, following the annulment of the elections, with the participation of all the parties in the conflict. It was replaced on 18 August by the bilateral mediation of the OAS between the government and the opposition.

This decision was adopted at the suggestion of the OAS, after the government and opposition leaders agreed in stating that their positions were "irreconcilable."

The opposition continues to demand the withdrawal of General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces and "strong man" of the country, while the government demands as a prior condition for negotiations that the United States lift its economic sanctions and end military and political pressures against Panama.

### Opposition Plans To Disrupt Talks

*PA2008165389 Panama City LA REPUBLICA DOMINICAL in Spanish 20 Aug 89 pp 1, 10-A*

[Text] According to information that has been leaked from sources linked to [Civic Democratic Opposition Alliance (ADOC) leaders] Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford, for the week that begins today, the opposition has made plans to disrupt public order in various areas of the country.

The plan consists of inciting unrest among the people throughout the week, especially on Wednesday, to distort the country's image before the local and international media as a means to pressure the Latin American community that will be meeting in Washington on Wednesday.

On that day, at the OAS headquarters in Washington, the regional foreign ministers will resume their discussion and analysis of the Panamanian situation in light of 1 September 1989.

The plan is designed to set conditions for the tripartite dialogue, stir up the people, create unrest, and incite the secondary school and university students to take to the streets and block them. All these actions to disrupt public order are aimed at preparing the right climate—chaos, violence, and social and political destabilization in the country—to give the United States a pretext for invading Panama.

According to what we have been able to learn from European and Latin American diplomatic sources, all seems to indicate that the opposition has set its hopes on the failure of the tripartite dialogue to make it possible for them to get to the Presidential Palace in U.S. Army-of-occupation tanks.

However, the OAS special mission that is currently in Panama has drafted a mechanism for negotiation among the government, opposition, and COLINA [National

Liberation Coalition] that calls for the adoption of the Contadora Group strategy to reach a peaceful, democratic, and Panamanian solution.

This mechanism, which was drafted on 18 August, calls for bipartisan negotiations with each sector, during which a plan will be drafted and discussed at a plenary.

As can be recalled, the Christian Democratic Party [PDC] has organized youth columns to incite students and people on the street and in neighborhood communities—mostly middle class people. In this effort, the PDC is using money from abroad, especially from the United States, through the George Bush government.

### Endara 'Pessimistic' About Talks

*PA2008181289 Panama City ACAN in Spanish 1715 GMT 20 Aug 89*

[Text] Panama City, 20 Aug (ACAN-EFE)—The separate negotiations the OAS is sponsoring between the government and the opposition continued for the 3d day in a row today, but with little hope of reaching an agreement to end the country's political crisis.

Upon arriving at the meeting this morning, opposition leader Guillermo Endara said he was "quite pessimistic" about the situation and refused to predict what might happen today, only 2 days before the OAS mediation mission is scheduled to leave Panama. Endara insisted that the positions are "irreconcilable" after 4 weeks of the OAS-promoted dialogue.

The government's representative, Romulo Escobar Bethancourt, said that today's talks will be dedicated to "discussing what type of government Panama should have" after 1 September, the date the OAS has set for a "transfer of power" following the annulment of elections the opposition claims it won. Escobar said that "the two sides agree on establishing a political system that can guarantee the existence of a democratic government, peace, and the normalization of the economy," but there are "differences about how" to achieve these objectives.

The government insists that any agreement must be preceded by a halt to the "U.S. aggression" against Panama. The opposition demands General Manuel Antonio Noriega's departure from his position as commander of the Panamanian military as an indispensable condition.

Ecuadoran Foreign Minister Diego Cordovez, who heads the OAS mission in Panama, is more optimistic. He said that "the climate produced by the dialogue prevents a military or imposed solution" to the Panamanian crisis. Cordovez said "the (negotiations) system is beginning to work," referring to the OAS decision to meet with the government and the opposition separately.

This method of negotiation has been in effect since 19 August following the disruption of direct negotiations on 18 August when the two sides decided that their positions were "irreconcilable." Since then, the involved parties as well as the OAS representatives have characterized the new method of indirect negotiations as "positive," but they have admitted that the new method has not produced any political agreement.

An assistant to Gen Manuel Antonio Noriega who is participating in the talks, Renato Pereira, has said that "the OAS has instilled a spirit of reconciliation in the politicians of Panama." In his opinion, "following these negotiations, a U.S. invasion would be very stupid."

Upon arriving at the meeting today, Cordovez said that "the U.S. support for the OAS effort is quite satisfactory and displays trust." The Ecuadoran diplomat was referring to the communique issued yesterday by the U.S. Embassy in Panama stating its support for the OAS mediation effort.

Cordovez said that it is expected that the Group of Eight, made up of Mexico, Venezuela, Colombia, Peru, Argentina, Brazil, Uruguay, and Panama (which is being excluded from meetings because of its domestic crisis), will be issuing a statement soon along the same lines.

The government spokesman, Escobar Bethancourt, also characterized the U.S. Embassy declaration as positive, saying that "it suggests that the United States is giving importance to the solution which the OAS is promoting."

The members of the OAS mission have announced their intention to go to Washington on 22 August to attend the meeting that the OAS plans to convene on 23 August in that city to re-examine the Panamanian crisis.

### Escobar, Endara, Differ on Results

*PA2108034489 Hamburg DPA in Spanish 0309 GMT 21 Aug 89*

[Text] Panama City, 20 Aug (DPA)—A day before the final meeting under the auspices of the OAS is held between the government and the opposition, it is taken for granted that there may be a national agreement to permit solving the country's current political crisis.

For opposition leader Guillermo Endara, the new method adopted by the OAS mission to maintain individual dialogues with the parties in the conflict "has failed," and there has not been any progress in the fundamental points presented by each party.

Government representative Romulo Escobar Bethancourt, although he avoided labeling the international mission's efforts a failure, said that each sector "has put forth its definite positions."

Escobar said that the opposition and the government have presented clear positions. Each party must consult tonight with their allies to try to secure an agreement tomorrow when the last meeting is held.

The government representative also revealed that during the negotiations the possibility established by the national Constitution of designating a minister in charge of the Presidency, to replace Manuel Solis Palma when his term ends this coming 1 September, was explored.

The OAS mission headed by OAS Secretary General Joao Baena Soares and Ecuadoran Foreign Minister Diego Cordovez must present a report on its mission to Panama on 23 August before the OAS plenary session.

### Arias Calderon on Likely Results

*PA2008204789 Buenos Aires REUTER in Spanish 1911 GMT 20 Aug 89*

[Excerpts] Panama City, 20 Aug (REUTER)—The Panamanian political crisis is approaching a crucial day, 1 September, a day that could bring more U.S. sanctions and a broader international isolation for Panama.

Since the annulment of the May elections, the people have been wondering what will happen on 1 September when, according to the Constitution, there should be a change of government. The conversations that the government, the Panama Defense Forces and the opposition are holding to find a solution to the crisis remain stagnant only a few days before the crucial 1 September.

This Friday, the president of the governing Democratic Revolutionary Party, Carlos Duque, said: "We are aware of the fact that we are working against the clock." [passage omitted]

The opposition's leaders have said that any nonelected government would be unconstitutional. The opposition has made it clear that it expects the OAS to take strong actions this week and also expects support for its call for Noriega's departure.

Opposition leader Ricardo Arias Calderon has told REUTER that "if the OAS adopts a firm and clear position, I believe we can hope for a democratic transfer of power." He added: However, if the OAS does not adopt firm actions "it would be helping Noriega achieve his objective, which is to remain in power and to impose new repressive measures."

Arias added: If Noriega remains in power after 1 September, the opposition will continue the struggle "and the country will sink further into a catastrophic economic, social, moral, and politically conflictive situation."

Juan Materno Vasquez, a former government and justice minister, has told REUTER that any government established without electoral support "is an imposed government, a coup d'etat government."

### Noriega Forming 'Government Junta'

*PA2008193989 Panama City ACAN in Spanish 1814 GMT 20 Aug 89*

[By Andreu Claret]

[Text] Panama City, 20 Aug (ACAN-EFE)—Panamanian strongman General Manuel Antonio Noriega and his closest aides are working on the creation of a government junta in the face of the possible failure of the dialogue promoted by the OAS and increasing U.S. pressure.

Renato Pereira, an attorney who is a close aide of the Panamanian general, has told ACAN-EFE that "if there is no agreement (with the opposition), the next thing will be either a provisional government junta or a government imposed by U.S. armored vehicles."

The constitutional mandate of the government headed by Manuel Solis Palma concludes on 1 September, the date on which Solis Palma would have been replaced by the president elected in the 7 May elections if these elections had not been annulled.

Following the annulment, the OAS spoke in favor of a "transfer of power" (before 1 September) and of new elections "as soon as possible."

Pereira said that the "provisional government" that could be created if there is no agreement prior to 1 September will have to hold elections "within 1 year," if the "U.S. aggression" ceases. Noriega's assistant noted: "We will not hold elections again with a knife at our throats, as we did on 7 May."

Pereira is participating in the current OAS-promoted talks with the opposition.

Diplomatic sources have told ACAN-EFE that Noriega sent a high- level mission to Venezuela this weekend to inform President Carlos Andres Perez of the provisional junta decision. The Panamanian mission was made up of five persons. It was headed by Colonel Guillermo Wong, head of the Military Information Services of the Panama Defense Forces [FDP]. The other members were another FDP colonel and three government politicians.

Panamanian Foreign Minister Jorge Ritter made an unscheduled visit to Colombia to meet with his Colombian counterpart, Julio Londono, to explain to him the political situation in Panama.

Other government sources have confirmed Noriega's intention to promote the formation of a "junta" if the current negotiations—in which the government and the

military have set as conditions for reaching any agreement the ending of U.S. economic sanctions and U.S. diplomatic and military pressure on Panama—fail.

If Noriega's initiative succeeds, it would have to be implemented "outside of the constitutional framework," another aide of the general has said. This aide noted that there is an intention to include "some major opposition leader" in this junta.

The formation of the junta would not receive the approval of the Legislative Assembly legislators, whose terms also end on 1 September. It could count on the approval of the Supreme Court of Justice, however, which can take actions in circumstances considered to be "national emergencies."

According to various sources of the current administration who have confirmed Noriega's initiative, the general discusses the formation of the junta only with "a very small circle of aides."

The discretion with which the general has been acting in the past few days has perplexed political observers and even some members of the regime, who have been wondering about the possibility of such an initiative to deal with the crisis.

A cabinet minister expressed his skepticism about incorporating leading opposition personalities into this provisional government as the general proposes.

The opposition, which has rejected the idea of a "junta" on several occasions, persists in demanding Noriega's resignation as a condition for solving the Panamanian crisis. All indications are that none of those who oppose the regime has accepted the junta proposal so far.

Noriega's initiative is being observed with utmost interest by the ambassadors accredited in Panama, who are unsure of the stance they would take in case a de facto government assumes power after 1 September.

In response to questions from ACAN-EFE, several Latin American diplomats agreed that the formation of a "junta" would increase the regime's isolation. According to one diplomat, the existence of a junta could even provoke "a pullout of ambassadors."

Nevertheless, some countries with special interests in Panama, such as Colombia, have been reluctant to accept this idea, the sources added.

On the contrary, the European ambassador who was asked insisted that the European Community countries recognize "states, not governments," and that, consequently, an extreme decision, such as recalling ambassadors, is not anticipated.

## Noriega Attends Jungle School Ceremony

*PA2008032589 Panama City Televisora Nacional in Spanish 2300 GMT 19 Aug 89*

[Excerpts] General Manuel Antonio Noriega has attended the 59th graduation ceremony at the Panajungle Survival School in Bocas del Toro for the first group of women who have completed the 2-week jungle survival course. The Panajungle Survival School is a unit whose main goal is the training of military and civilian personnel in jungle survival techniques, using a minimum of equipment and a maximum of ingenuity. [Passage omitted]

The 44 graduates include officers, NCOs, and soldiers of the Panama Defense Forces [FDP] 5th Military Zone, Military Health Battalion, Traffic Department, 12th Military Zone, BIFRA [Rufina Alfaro Women's Training Base], DENI [National Department of Investigation], Economic Services, Panamanian Air Force, G-1 General Staff, 8th Military Zone, and Migration Department. [Passage omitted]

Gen Manuel Antonio Noriega; Colonel Teodoro Alexander, chief of the FDP Commander's Adjutant Office; Lieutenant Colonel Moises Correa, G-3 General Staff; and, as special guest, Colonel Fumio Yamasaki, military attache at the Japanese Embassy, presented the diplomas and awards. Moments later, the Forero Marin 1st Women's Promotion presented a plaque to General Manuel Antonio Noriega, commander in chief of the FDP. Gen Noriega donated a statue of Christ for the Panajungle School's Saint George Chapel. The statue was accepted by Father Roberto Sibausti, priest of the Changuinola community.

## Ritter Tells Colombia's Londono of 'Setbacks'

*PA1908014589 Panama City Televisora Nacional in Spanish 2312 GMT 18 Aug 89*

[Statement by Foreign Minister Jorge Eduardo Ritter on 18 August; place not given—recorded]

[Text] Last night I had dinner in Bogota with Colombian Foreign Minister Julio Londono. I felt that I should inform him of the progress being made in the dialogue, as well as the setbacks there have been.

The OAS consultative meeting will take place on 23 August, and I felt that inasmuch as Londono is the chairman of that meeting, he should be aware of the dialogue's progress and setbacks. For example, the outrageous presence of the U.S. Army in Panama City has hindered the dialogue, as it has created an atmosphere that is not conducive for talks. A situation where respect and serenity prevail does not exist in the city, and therefore this is not suitable for the dialogue.

It was a very short visit to Bogota, just for a few hours. I repeat, I felt it was necessary for him to be informed of the progress and setbacks of the dialogue in Panama.

**Supreme Court Resolution on U.S. Exercises**
*PA1808150689 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Aug 89 p A-1*

[Resolution issued by the Supreme Court of Justice on U.S. military exercises in Panama City—dated 17 August]

[Text] Resolution I.

After meeting on 17 August 1989, The Supreme Court of Justice plenum has issued this resolution:

Whereas;

1. U.S. Southern Command Members occupied for over 3 hours the offices of the Municipal Circuit Tribunals and the Maritime Tribunal in Ancon and hampered the free administration of justice.

2. This occupation caused alarm, nervousness, panic, and indignation both among the Panamanian Government officials working at these offices and the defending lawyers handling their clients' cases.

3. This was reported to the Magistrate President of the Court, who, in a plenum meeting, analyzed the situation that precludes the administration of justice. The magistrate went to the offices involved and confirmed the reports on the presence of armored personnel carriers and soldiers in combat gear on the tribunals' premises.

4. These events constitute a serious violation of Panama's sovereignty and the Canal Treaties and harm the administration of justice.

Therefore;

1. The Supreme Court of Justice hereby condemns these events and strongly protests the U.S. Army's arrogant interventionist action in institutions and on territory over which Panama is sovereign.

2. Through the Foreign Ministry, the Court hereby requests the Executive Branch to protest before international organizations against this new outrage against the administration of justice and Panamanian lawyers.

3. The Court hereby reports to the judicial institutions of the world this aggression and outrage against Panamanian judicial authorities and the administration of justice by the U.S. Army.

4. The Court hereby reports these events to the Panamanian representatives in binational organizations in charge of implementation of the Panama Canal Treaties so there can be a guarantee that similar events will not happen again.

[dated] 17 August 1989, Panama City

[Signed] The Supreme Court of Justice plenum: Marisol M. Reyes de Vasquez, Isidro Vega Barrios, Jerry Wilson Navarro, Dilio Arcia, Manuel Jose Calvo, Rafael A. Dominguez, Gustavo Escobar Pereira, Rodrigo Molina, Enrique Bernabe Perez, and secretary general Jose Guillermo Broce.

**Women's Group Demonstrates in Front of U.S. Fort**
*PA2008185289 Panama City Televisora Nacional in Spanish 2300 GMT 18 Aug 89*

[Text] Women leaders and members of the Women's Single Front Against Aggression [FUMCA] demonstrated in front of the entrance to Fort Clayton this morning.

Upon arriving at the front gates of the U.S. military installation, the women, who carried anti-imperialist signs, chanted nationalistic slogans rejecting the U.S. intervention in Panama's affairs, as well as U.S. aggression and intimidation.

U.S. soldiers stood in front of the entrance ready to prevent any attempt by the women to enter the military installation. In response, the women stuck small Panamanian flags in the grass in front of the entrance to reaffirm Panama's sovereign rights on the territory.

**Brazilian Congress, Senate Support Panama**
*PA1908024889 Panama City LA REPUBLICA in Spanish 17 Aug 89 p 3*

[Text] While Panamanian Legislative Assembly President Celso Carrizo was reporting the U.S. Government's aggressions against our country—which keeps Panamanians in a situation of anxiety and distress—a group of U.S. senators headed by Senator Richard Lugar falsely told the media: "Brazil would support the United States in imposing stronger sanctions on Panama."

The U.S. senator's statements were subsequently denied, the CORREIO BRAZILIENSE reported, adding that Foreign Ministry Spokesman Ruy Nogueira denied the Brazilian Government has been requested to lend political support against Panama. The disinformation statements made by the U.S. senator also included that, during the past weekend in Panama, there had been "skirmishes between U.S. and Panamanian troops."

During a plenary session at the Chamber of Deputies, Foreign Relations Committee President Bernardo Cabral told Legislator Celso Carrizo that the Constitution of the Republic of Brazil clearly specifies the "respect for the self-determination of peoples and advocates nonintervention."

The documentary, called "Witnesses of the U.S. Aggressions Against Panama," was shown at the Chamber of Deputies as well as at the Senate. The documentary

faithfully shows the provocations by land, air, and sea carried out by the undisciplined troops from the most powerful nation against a defenseless and peaceful nation.

Later on, Panamanian Legislative Assembly President Celso Carrizo and Legislator Hugo Giraud, the foreign relations commission president, held a meeting with Brazilian Senate Vice President Iram Saraiva and an important group of senators, including the Senate's First Secretary Senator Mendez Canale; Senator Humberto Lucena, foreign relations commission president, and PFL [Liberal Front Party] leader Senator Marcondes Gadelha.

The senators held an extensive dialogue with the Panamanian delegation and asked questions in order to ascertain the true situation which the Panamanian people are enduring. The senators reiterated that Brazil rejects all U.S. Government intervention in the internal affairs of our country. The senators added they will follow up the events taking place in Panama that endanger the stability and lives of Panamanians. The senators strongly pointed out they support the petition of other Latin American nations which demands a faithful compliance with the Torrijos-Carter treaties.

The senators also made a formal invitation to Legislator Carrizo to travel to Brazil soon to brief the Senate on the Panamanian situation. Legislator Carrizo received commemoration medals at the Senate and at the Congress during his visit to Brazil, which once again confirms the excellent relations existing between the two nations.

## Minister Solis Palma Gives Speech at Veraguas

*PA1908195589 Panama City Domestic Service in Spanish 1800 GMT 19 Aug 89*

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at the auditorium of Juan Demostenes Arosemena Normal School in Santiago, Veraguas—live]

[Text] I want to reassure Elias Vasquez [child that had just sung a song for him] that I will struggle for my homeland's good as long as I keep breathing. I will never stop. [applause] When I see the children, some of whom today have performed with such great love and sense of homeland, I must say I cannot understand how there can be some people who are not willing to work for them. They deserve everything. [applause]

Ministers of state; directors of autonomous institutions; Pedro Mojica of the Veraguas Parents Federation and Association; Carlos Leon, president of the Parents Federation of Panama City Primary Schools; Francisco Perez Jaramillo, president of the Parents Federation of Western Panama City Secondary Schools; legislator and friend Rigoberto Paredes [applause]; Luis Sosa, president of the Parents Federation of San Miguelito Secondary Schools [applause]; Professor Victor Julio Sanchez, director of the Juan Demostenes Arosemena Normal School; Veraguas Governor Mateo Castillero; Major Luis de Puy, chief of the 3d Military Zone and his wife; distinguished ASEFUDEP [Panama Defense Forces Wives Association] members present; Santiago Mayor Dr Eduardo Spiegel and his wife; provincial directors of the Education Ministry; professors; teachers; members of the Technical Board; selfless Education Ministry workers [applause]; people of Veraguas; distinguished delegation of the Normal School; ladies and gentlemen.

I want to receive this honor as an expression of the love, openness, and devotion to the homeland of the parents who also expressed love to me. I thank them. This is why I accept this honor with great emotion. I think we succeeded to some extent while working at the Education Ministry. The parents themselves have pointed this out. We succeeded in bringing together the parents and education officials. We succeeded in making clear the role that parents must play in national education. We succeeded in restoring some of the authority and respect that the ministry had lost for a number of reasons. We succeeded in having the ministry work more dynamically. The directors of the ministry, who felt overwhelmed because they sponsored education reform and tried to make deep changes in the system, were misunderstood and eventually left aside. We succeeded to a large extent in restoring their optimism in their kind of work.

When I arrived at the Ministry of Education, we started our working day at 0700 and ended it at 1500. I used to call office heads at 0800 or 0900, but they had not yet arrived. In addition, it was useless to call them at 1400 because they had already left. When the 0800-1600 work schedule was established, it was possible to speak to many of them at their offices at 0700. They were still there at 1800. [applause] I also found many of them working on Saturday. They even worked on Sundays. They had to work on Sundays that coincided with holidays. It was necessary to work like that to complete work on teacher and professor appointments. It was necessary to work like that to meet the community demands. I think much was done. An education draft law was outlined, which takes into consideration the current situation of education. In addition, we succeeded in attaching much more importance to the provincial directorships and delegating functions. We tried to limit expenditures in the ministry.

An Education Ministry that assigned 94 percent of its budget to salaries and could assign only 6 percent to cover all the other expenditures had to be restructured. Not only a larger budget was needed. The ministry needed a better distribution of functions. This was not achieved and now, in the midst of the crisis, 99 percent of the Education Ministry's budget goes to pay salaries and only 1 percent of that budget can be dedicated to the ministry's needs.

There are many things we wanted to accomplish. I want to talk about that because I feel that I did not completely fulfill the responsibilities I had and because there are many things that I should have done and that remain to be done either because I did not have the ability to get them done or because I did not have enough cooperation to do what had to be done, and this goes not only for the Education Ministry. At that ministry we did find dedicated people and professionalism. However, this was at the level of the directors of the Education Ministry's main office. We cannot say the same for the teachers' sector.

We have a situation in which we have to deal with irrelevant matters and we have not been able to overcome this situation. We have been operating based on incorrect pedagogic norms, such as that which claims that teachers cannot teach in classrooms with more than 35 students because they would be unable to perform adequately. If this was true, we would have geniuses, students with the best education, in the province of Los Santos, because the average classroom has 15 students. However they are doing no better than students from other provinces where the average classroom holds 25 or 27 students. The matter is not the number of students, it is our dedication to work and our commitments to the fatherland. [applause] This is what we are lacking. We have not put our minds on our work.

There is the case of an association of professors rising to protest because a teacher or professor happens to have in his classroom 41 students when the limit is 40. That association never takes into consideration that not all students may be attending class and other situations. What is so sinful about a teacher having 36 students? Poor countries work with 40 and even 50 students. Rich countries do, as well. What we need is devotion to national education and to the work we are carrying out in all sectors of the Panamanian state. We tried to have a bill on educational reforms approved because we cannot uphold during this period the same educational concepts that served as a basis for the educational programs implemented before the year 1950. At that time, education and the world were static. There were no changes. The machines of 1900 were not much different from those of 1950. At that time we could afford having an informative, repetitive type of education. But this type of education cannot be maintained in 1989. The world changes on a daily basis now and world evolution must be matched by Panama's educational concepts. As I have said before, we cannot continue having an education that makes students brutish. I will repeat this: Panamanian education makes students brutish because when progress is not promoted, we are promoting brutishness. [applause] Teaching children lessons that are 20 years old is a crime against parents, against children, and against the fatherland. [applause]

This cannot be. I do not feel well when I think of the sacrifices mothers have to make to send their children to a professional or technichal school. Some mothers have to iron day and night as servants somewhere because they want their children to have a better education and a better future. These children go to these schools and spend 5 years there. When they graduate as mechanics, just to give you an example, they do not know how to fix cars—not because they do not have the ability, but because the school's directors and professors did not know how to teach them and had no sense of the fatherland. [applause]

This cannot go on. I have a debt to the Panamanian people. We did not achieve our objective. That type of education remains. We are still teaching in the past. We are not teaching for present-day needs, much less for the needs of the future.

To have a student practice mechanics on a 1905 engine is a crime, because that engine will not be made anymore; that engine belongs to the past; we now make other kinds of motors. We need to prepare him differently; we need to teach a mechanic to handle computers, because cars have computers today; a mechanic needs basic knowledge of physics and chemistry, because those are essential tools. Education must change; its programs must change radically.

We need a constructive education; we need to shape our men and make them more dynamic. We need an education that will create good habits in them. Now that we are talking so much about democracy, we must think about democratizing education.

But what does democratizing education mean? It means joining the efforts of the community, parents, teachers, and all of society in contributing to the development of Panamanian education. That is what democratization involves: Participation. That was the concept developed by Omar Torrijos [applause] when he created the corregimientos and the corregimiento representatives and when he sought to involve society in leading the state. That is democracy.

Democracy is not only a formal election; democracy is not the importation of ideas just because someone wants us to acquire some democratic characteristics. Democracy is working for the needy people; it is participation; it is educating the people, and giving health to the people. In this regard, we are one of the most democratic countries on this continent. [applause; crowd shouts: Long live a Torrijist democracy]

It would take a long time to list all the things we have failed to do. Someone once said that there was a man who was so ignorant that an encyclopedia could be compiled with the all the information he did not know. I would say that we could compile a book with all the things that we have failed to do.

However, this is a commitment I must still strive to achieve; it is a commitment of the current education minister and deputy minister; it is a commitment of all Panamanians, of anyone who occupies a post as important as the Education Ministry.

We must work very hard to change how people think. The most recent thinkers maintain that development is achieved only or usually when there is a concept, a culture, a self-improvement attitude. They claim that underdevelopment is a state of mind. If we are mentally underdeveloped, we will be unable to develop. Education plays a very important role in the development process, because it must challenge our minds.

There are a number of things that I do not understand why pedagogs have been unable to do. It is sad to see a child punished with a bad grade, when it does not matter whether he fails to submit an assignment, when it does not matter when he is late to school. Nevertheless, we expect them to arrive at work on time and fulfill their responsibilities when they grow up, although we have failed to instill favorable and positive behavioral traits in them.

I regret and share the sadness with the parents for not having been able to fix the schools. Many schools are in a critical state. I was told daily: this school leaks, there are no access roads to this one, or this one does not have teaching material, and so on. But how could we solve this if the current education law does not allow us to transfer a teacher even though he has no students to teach, because he has the right to stability, that is, the right to remain unmovable? We have been squandering money in certain places where we have extra teachers; we have been appointing teachers in places where we need more of them, while wasting funds that we should have spent to repair schools, buy teaching materials, and other educational needs.

I am not satisfied with the meal plan. I believe that Mrs Arosemena has done an excellent job; the entire team in Veraguas has done an extraordinary job. However, we should have done even more. We should have alloted a larger budget, but how could we? I am greatly concerned for not having developed the preschool program.

I wish that all Panamanian children could get some schooling when they are as young as 3 ,but with teachers willing to orient and love them, not tell them off, insult them, and traumatize them. The teacher who scolds or punishes a child with or without reason traumatizes him. Later in life, we meet shy and cowardly men, women who dare not speak because they remember their childhood, when they were unjustly chastized. We are not forming rebels, but men oriented to work for the homeland. The saddest thing is that we have not shaped a national awareness in the Panamanian people. It is sad to listen to some songs, like the one that was sung during the commemoration of the first anniversary of Dr Arnulfo Arias. While walking toward the cemetery, the traitorous song writers chorused: Cisneros, come quick and put an end to the cocaine dealer. This is high treason. This is an act of surrender that we cannot accept. [applause. crowd chants: Down with Cisneros!]

There is something even sadder. When we were students, we proudly hurled rocks and declared strikes for a better education. We did these things to protest the surrender of the authorities, the National Police, to the Yankees. We did this to defend the homeland. [applause]. We complained and wondered why the political parties and social groups did not protest the U.S. intervention and outrages, the gold roll and silver roll [a discriminatory payroll system used in the Panama Canal Zone and abolished in a 1955 treaty, by which "gold" designated the wages of U.S. citizen employees and "silver" designated the wages of local-hire employees], and the insult of U.S. military policemen walking through the Panama City streets to stop Panamanians and Americans from quarreling. We had to have two drivers' licenses to drive around the country, as well as two license plates.

We did it in search of the Panamanian nation, but today we have to suffer the pain and shame when we see students protesting against Noriega, but never against Cisneros, who is trampling all over our national territory. [applause]

Who is at fault? Young students? No. [Someone from the crowd shouts: Bad teachers] It is those who have not taught them the history of the country, who instead have taught them lies and have permanently disinformed them by copying the positions of the United States.

General Noriega said the plebiscite question he was asking for was if we wanted to be a colony or a nation. One of the colony men, who was born in Panama and who was even a vice presidential candidate, said: We agree, Noriega is also talking about a plebiscite. The problem is to decide which plebiscite should be used. General Noriega was criticizing and mocking the plebiscite. He was not asking for a plebiscite for a colony or a nation, because the Panamanian nation, the dignity of the fatherland, can never be subjected to a plebiscite, never. [applause] It was a phrase to awaken their consciences; it was not meant to speak of a plebiscite. However, they want a plebiscite and they would not mind being the governors of Panama as if we were a commonwealth state.

Some believe that if we surrender to the United States, that if we make peace with the United States, we will have prosperity again. I would like for those people to point out to me one single prosperous colony in the world, one single colony not used for exploitation, not abused and humiliated. We have achieved liberty but there are many among us who are willing to sell the nation for dollars. This must be avoided through education, through your work, so that schools teach students that Panama has a history of dignity and honor that is a source of pride for all of us, that makes us brave, that

gives us a sense of nationality. I feel more pride when I go abroad and I sense the love of the people because of the struggle we are waging; I feel more than others feel when they go to the United States and are hugged for having sold themselves out. [applause]

We do not want the praise of a master. We want the respect of the people. We have secured this respect. It has cost us pain and sacrifices, and perhaps more sacrifices will have to be made and more pain will have to be experienced. I only hope we can understand that the struggle for nationality is not a matter of numbers but a matter of awareness, of decisions, of courage. No independence has been the product of actions by the majority, but by minorities that have struggled with courage and decision. It does not matter how many of us are prepared to wage the struggle. The important thing is that there are many Panamanians who are prepared to offer their lives for the fatherland. [applause]

There is a concept I want to discuss. I am not opposed to university autonomy. But let us analyze that. I struggled for university autonomy. If anyone says that achievement did not cost any sacrifices, I will tell him that it did mean sacrifices. Perhaps not much blood was spilled, only a few people were wounded in the process, but there were many beatings and people lost some opportunities for advancement. I had a scholarship to study at Columbia University, but on one occasion when we proposed to struggle for university autonomy and we carried out a strike, I lost my scholarship. I did not get to go to the United States. Nowadays I believe it is great I did not go because if I had gone to the United States, perhaps right now I would be in the Chamber of Commerce and not here. I am much better here. I am very happy I did not get to go. However, I did receive some beatings. I am not happy about that but I am prepared to endure that again if necessary. [applause]

This is how the struggle for university autonomy went. Why did we struggle for university autonomy? Because the oligarchic governments and the National Police were antinational, traitorous, and were against the people. We had to grab the university from them to have something they could not control. However, if we have a nationalist Defense Force and a government that is prepared to struggle for the people, then the concepts that motivated the struggle for economy no longer exist and we cannot talk about the existence of the same problems. We are asking the university to use its autonomy to defend the nation and not to betray us. [applause]

I do not want to believe that some people at the university and some Panamanians think in terms of the concepts that [name indistinct] once expressed about Petain. When Petain, a World War I French hero, delivered himself to the Germans, [name indistinct] was asked: Do you think that Petain no longer loves France? [name indistinct] answered: No. He loves France. The problem is that he hates me more and he is prepared to deliver Paris and everything else to harm me. Here there are people who are willing to deliver the nation believing that they would be harming Manuel Antonio Noriega. No. They are inflicting harm not on Noriega but on the Panamanian nation, and history will not forgive them just because they exhibit their hatred as an argument. History acknowledges only those who wield the argument of love for the fatherland and the dignity of man, and, above everything else, their Panamanian nationality.

This is the Panama we want. This is the Panama for which I have not done everything I want to do. I have a debt to the nation. I know I do not have too many years left to struggle for Panama. It does not matter. The important thing is not to surrender, not even if we are old, because a traitorous old man is the worst thing one can be. [applause]

[Crowd shouts: Long live the president! Down with the idiot [reference to Guillermo Endara, former presidential candidate for the Civic Opposition Alliance]. I want to make an appeal to all Panamanians, to my friends at the Education Ministry, to those who are fond of me—I do not know why because I pestered them a lot. [Solis laughs] [applause] I want to make an appeal to parents, to all Panamanians who have a commitment to make this country a prosperous, free, decent, sovereign, and independent country. I ask all of them not to cease one minute in the struggle for the defense of Panama, especially now when U.S. interest has been augmented because it is already losing the empire and it wants to retain the poor and small nations.

Now that we are being attacked, we must intensity our efforts to maintain Panama as a nation. We are better off as a free nation, even if we are poor, than if we have dollars and are humiliated. Do not forget that in Panama there have been many good times, times of prosperity. Where is the prosperity of Panamanian peasants? What did Panamanian peasants get? It ended up in the Canal Zone area and in the safes of Panamanian oligarchs. If in the future we have money again, it will be for the oligarchs. [applause] They want to contract further debts to accumulate more money.

When the oligarchy lost political power we made the mistake of leaving economic power in their hands. Today they want economic power, which they have redoubled and multiplied; they want to regain political power to defend the economic power they have robbed. We cannot permit this because it will be to the detriment of peasants, of Panamanian indians, of the poor in the cities. We, who were born in those places—in the rural and poor sectors—and who, thanks to a revolutionary process, have had the opportunity to reach the presidency of the Republic. [as heard] This is an opportunity I am certain Elias Vasquez [child who sang a song prior to Solis speech] can also have.

Every one of our peasants has the right to aspire to the presidency, every one of you has that right. That possibility exists now. That possibility did not exist before. Once someone asked me if I had thought about becoming president when I was a politician of the Patriotic Front. I responded: No. I was told: Why, if all politicians seek to become presidents? Well, I said, I can be a politician. However, I was not stupid. I was fully aware that the poor had no opportunity in the 1940's, 1942's, or 1950's. [as heard] That was impossible. [applause]. Curiously enough, the process that sent me into exile gave me this opportunity. I am not taking about people, I am talking about actions. I am talking about the foundations of Panama. Although I was sent into exile during Torrijos times, today I admire Torrijos for giving this opportunity to poor Panamanians. [applause] I am part of that poverty. [Crowd shouts: Long live Omar Torrijos Herrera]

I want to end by thanking people like Eligio Salas and Aristobulo Carrizo for being here; they are teachers of teachers. They never refused to go to rural areas and were never concerned about a salary. They worried about the work they were going to perform. They did not have the opportunity to live in these current times of progress. However, I am sure they would have progressed as we did because they have the Panamanian nation in their soul. My appreciation to them for being here. My thanks to all of you for these expressions of appreciation, especially to parents to whom I want to express my eternal gratitude. You know you can count on me even when I am out of the ministry, out of the Presidency because I only ask God to give me strength, not to become arrogant and not to have ambition for power permanently. Thank you very much. [applause]

## Government Seizes Assets in Delvalle Controversy

### Accused of 'Squandering' Money

*PA2008223389 Panama City LA REPUBLICA DOMINICAL in Spanish 20 Aug 89 pp 1-A, 10-A*

[All figures as published]

[Text] New York, 20 Aug (Special Service)—It has been confirmed that the Panamanian people's money, arbitrarily frozen by George Bush's government, has been squandered, and that Eric Arturo Delvalle and those who accompany him in these actions have spent this money to purchase horses, luxurious condominiums, first-rate hotels, jewels, real estate in Hawaii, as well as to finance subversive actions to unsettle the Panamanian Government.

On 29 June, $9,832,226.13 was withdrawn from a single account in which more than $10 million had been deposited.

The scandal has alarmed U.S. senators and congressmen, who requested several closed-door hearings in the Senate and the House of Representatives to learn the details of how Delvalle and Juan Sosa squandered the $9.8 million.

So far, officials of the Treasury Department and the Federal Reserve Bank of New York, as well as trustees of the funds and high U.S. State Department officials, have been summoned.

According to the audit report that the U.S. General Comptroller's Office sent to the Congress, $10,243,734.52 was deposited in this Account, which earned $521,218.49 interest as of 29 June.

A summary of the movement of the Panamanian people's money at the Federal Reserve Bank of New York indicates how this money has vanished up to 29 June:

| | |
|---|---|
| Deposits | $10,243,734.52 |
| Plus interest earned | 521,218.49 |
| Amount available | 10,764,953.01 |
| Minus withdrawals | 9,832,226.13 |
| Reimbursements | ——— |
| Balance | 932,726.88 |

Attachment:

Summary of activity within the Panamanian accounts at the Federal Reserve Bank of New York (as of June 29)

| | |
|---|---|
| Account 1: | |
| Deposits (6) | $ 10,243,734.52 |
| Plus interest earned | 521,218.49 |
| Amount available | $ 10,764,953.01 |
| Minus withdrawals (15) | 9,832,226.13 |
| Reimbursements | ——— |
| Balance | 932,726.88 |
| Account 2: | |
| Deposits (228) | $ 7,416,561.34 |
| Plus interest earned | 433,302.24 |
| Amount available | 7,849,863.58 |
| Minus withdrawals | ——— |
| Minus reimbursements (1/5) | 658,912.90 |
| Balance | 7,190,950.68 |
| Account 3: | |
| Deposits (204) | $129,836,870.94 |
| Plus interest earned | 7,525,719.14 |
| Amount available | 137,362,590.08 |
| Minus withdrawals | ——— |
| Minus reimbursements | 2,350,950.58 |
| Balance | $135,011,630.50 |

This represents the latest transaction specific data available from OAFC and may not coincide with the July 17, 1989 data totals.

Summary of frozen Panamanian Assets and Accounts as of July 19 1989.

| | |
|---|---|
| Federal Reserve Bank of New York | |
| Account 1: | |
| (Government of Panama) | 935,797.35 |
| Account 3: | |
| (U.S. Companion) | 7,260,266.20 |
| Account 3: | |
| (U.S. Government) | 142,521,601.37 |
| Sub-total | $150,717,664.92 |
| Blocked and frozen Government of Panama | |
| deposits (as of 30 June 1988) | 29,619,082.78 |
| Blocked tangible property | 183,000.00 |
| Self-escrowing companies: | |
| Book accounts | 66,092,075.29 |
| Bank accounts | 50,206,483.65 |
| Total | $296,818,306.64 |

## Assets of President Confiscated

*PA2108010489 Panama City Domestic Service in Spanish 1645 GMT 20 Aug 89*

[Text] An attachment court has been created because of formal charges filed by Fidel Murgas against several Panamanian citizens he has accused of illegal appropriation of Panamanian Government assets. The person responsible for this court is Lorenzo Parker, who was interviewed concerning his duties.

[Begin Parker recording] I want to thank you for this interview and I am pleased to inform the Panamanian people about all the details and steps taken by this attachment court to confiscate the assets that are included in the charges filed by Fidel Murgas against Eric Arturo Delvalle, Gabriel Lewis Galindo, Alberto Garcia de Paredes, and Juan Sosa.

Obviously, since its creation, the court has faced a series of inconveniences, but as I said in the television interview, I will do my best to try to recover, as much as possible, the last penny these men stole from the Panamanian people, because this whole thing has led to the economic crisis that our people are now overcoming.

Despite everything, and I repeat it once again, I am not afraid to continue carrying out the mission given to me.

So far, we have been able to confiscate from Mr Delvalle 175 thoroughbred horses, which we have sold at the racetrack to people involved in such activity, people who support racetrack activities and who can pay and care for the animals. The sale of these animals amounts to $850,000, which will be collected by the national treasury each time the horses win prizes at the racetrack.

As for the shares of Mr Eric Arturo Delvalle—the National Sugar Company [Azucarera Nacional] has many shareholders—I am only allowed to confiscate his shares because we cannot adversely affect the other shareholders. We have confiscated Delvalle's 13,000 shares from the National Sugar Company. These shares add up to $1,690,000.

As for cash in banks, we have asked bank officials to inform us how much money these gentlemen had deposited in their accounts. Initially, several banks gave us ridiculously low figures, but we are currently conducting extensive investigations to determine how much money is really deposited in those accounts, because the figures submitted to this court are not correct. As you can see, this work is very extensive and difficult. Since the beginning, this court did not have any economic support or human resources because we do not have anyone helping us here. Several officials who have the obligation of cooperating with us, have refrained from doing so. I want to emphasize that we have received no support. We are waging a massive struggle, but we will continue with it at any cost.

We have confiscated from Mr Delvalle $252,634, which was deposited in Banco del Istmo accounts. We have sent the money to the national treasury.

The money deposited in various banks, which reported that these gentlemen had small accounts, adds up to $19,652.

The total amount of money confiscated from Mr Delvalle is $2,798,000. This money has been sent to the national treasury. Subsequently, we investigated other companies, because Delvalle has a holding company. A holding company has control over other companies so as to avoid a series of fiscal responsibilities. It makes it difficult to determine how much money the individual has, because the money is spread out or is concealed in different companies.

As for Mr Gabriel Lewis Galindo, we have not initiated the investigations against him because he owns a huge number of companies. We do not have the human resources to operate and confiscate everything. However, with our small number of employees we will initiate this action as soon as possible, even though it may take some time.

As for Mr Alberto Garcia de Paredes, this gentleman supposedly owned the Radio Mil station. We have not been able to find any cash and the station no longer belongs to him. The station is now owned by Mrs Lilia Esther Feuillet de Garcia de Paredes, his wife. The legal representative of the station is her daughter. This transaction took place back in 1983 when Mr Alberto Garcia de Paredes sold all the shares to his wife, therefore the court cannot interfere or confiscate the station from her

because no charges have been filed against her by Fidel Murgas. Therefore it would be illegal and unfair to violate the rights of this woman, who had nothing to do with the charges.

As for Mr Juan Bautista Sosa Berbey, he appears in a series of companies as director and legal representative, however, he owns no assets because they have all been transferred. He took those steps back in 1986, as if to predict what would happen. These men took the necessary measures to prevent their assets from being listed under their names.

As for Mr Eduardo Arango, who was also included in the charges, he does not appear to be the owner of anything either, because he also sold all of his shares, to Mr Eduardo Orillac, who owns the Corporacion Textile company. We have traced Arango's properties, but found nothing. These men have been extremely skillful.

Fortunately, we have Mr Eric Arturo Delvalle, whom we are still investigating, and we are also investigating Mr Gabriel Lewis Galindo to the very end in the search for assets for the Panamanian Government and people, who deserve it so much. [end recording]

### Police Arrest Government Opposition Leaders

*PA1808215489 Hamburg DPA in Spanish 2125 GMT 18 Aug 89*

[Text] Panama City, 18 Aug (DPA)—Jose Faundes, secretary general of the Panamanian Human Rights Committee (CPDH), today reported that Olimpo Saez and Guillermo Rios, the main leaders of the opposition Popular Nationalist Party, PNP, were arrested in the past few hours.

The CPDH secretary said the arrests were "an arbitrary action" and he announced that petitions for habeas corpus will be filed on their behalf.

Saez is president of the PNP and was PNP vice presidential candidate in the 1984 elections. He was also a legislative candidate in the annulled 7 May elections. Rios is PNP vice president.

### Saez Sentenced for 'False Reports'

*PA1908172889 Paris AFP in Spanish 1620 GMT 19 Aug 89*

[Text] Panama City, 19 Aug (AFP)—Panamanian authorities today sentenced Olimpo Saez, director of an opposition weekly, to 3 months imprisonment for publishing "false reports," it was reported in Panama City.

Rodolfo Chiari, minister for government and justice, told local reporters that Saez "failed to comply with the legal requirements" to publish the weekly and that, in addition, it "published false reports."

Saez was sentenced to serve 3 months and pay a $1,000 fine. Guillermo Rios and Alejandro Garrido, two opposition members who work with Saez on the weekly, must each pay a $500 fine, it was reported.

The Civic Democratic Opposition Alliance [ADOC], which includes the parties that oppose General Manuel Antonio Noriega's regime, considered the sentence "a sign of the deterioration of the human rights situation."

This week, the government also ordered intervention against RPC, the country's largest radio and television network. The corporation has been accused of evading payment of $5 million in taxes.

### Authorities Release PNP Leaders

*PA2008032089 Hamburg DPA in Spanish 0214 GMT 20 Aug 89*

[Text] Panama City, 19 Aug (DPA) — Opposition leaders Olimpo Saez and Guillermo Rios, president and vice president of the Popular Nationalist Party (PNP), respectively, were released today by Panamanian authorities after a 24-hour arrest. The two politicians were interrogated about the newspaper "El Panameno" edited by the PNP.

Saez said officers from the state security and the Government and Justice Ministry charged him with publishing a newspaper without complying with legal requirements, and with publishing false reports.

He added that he rejected the charges of illegality attributed to the newspaper, arguing that the electoral code allows established political parties to publish their own propaganda.

Saez reported that the Government and Justice Ministry sentenced him to 3 months in prison and a $1,000 fine. Rios was given a $500 fine.

The PNP opposition leader was vice presidential candidate in the 1984 elections and ran for legislator in the 7 May elections.

### RPC Announces 'Unprecedented' Government Actions

*PA1908001889 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Aug 89 p A-5*

[Full-page paid ad entitled "Paid Message to Citizens" signed by Fernando Eleta Almaran, co-owner of RPC Radio and Television Network; date not given]

[Text] The Corporacion Panamena de Radiodifusion, owner of RPC Television Channel 4 and Circuito RPC Radio, aware of its duty toward the Panamanian community as part of the media providing guidance to the public—particularly being the oldest independent television station established in our country—hereby informs citizens of the unusual and unprecedented actions to which it is being subjected by the national government.

1. It is a known fact that 69 tax claims [alcances fiscales] were issued against Corporacion Panamena de Radiodifusion by the Finance Ministry's Regional Revenues Administration on 7 April of this year, exactly 1 month prior to the 7 May elections. The tax claims charged the company with more than 5 million balboas for alleged fiscal irregularities.

2. Appeals for annulment with appeals on subvention [recurso de revocatoria con apelacion en subsidio] were filed against the tax claims, and a request was made to submit evidence to demonstrate the illegality of the actions taken by the Regional Revenues Administration.

3. However, the Regional Revenues Administration refused to accept the evidence as requested by us. Due to this refusal, which deprived us of our right to due process—this is not unprecedented in the activities of our fiscal authorities—we were forced to file a writ of amparo on constitutional guarantees before the Supreme Court of Justice, which is still pending decision.

4. Although neither the writ of amparo nor our appeal to the General Directorate of Revenues has been reviewed or resolved, the Finance Ministry has proceeded to impound not only all of the company's properties and bank accounts, but also its administration. This violates legal norms within fiscal procedures against the enterprise, but, worse yet, it constitutes a violation of the right to property, the defense of which is precisely one of the obligations that the Constitution imposes on the national government.

5. The first measure adopted by government-appointed administrators was to send Circuito RPC Television News Director Julio Miller and Circuito RPC Radio News Director Mrs Omaira de Leon Watson on vacation and to appoint replacements. Because of this, RPC news services have been interrupted. This situation makes evident the real purpose of the tax-payment claims issued against our enterprise and explains other actions we have mentioned in this paid advertisement.

6. Our radio and television services had been interrupted from 8 to 22 May in the provinces of Chiriqui and Bocas del Toro. This situation reappeared on 2 August and still exists.

Last week, on Thursday, 10 August, Panama Defense Forces units went to the site where the main RPC transmitters are located, in Las Cumbres, and ordered the employees there to turn off the equipment and to leave the place. This produced a nationwide interruption of RPC radio and television services.

7. RPC will continue exercising its legal rights and all the resources available to it to resume, as soon as possible, its objective and impartial broadcasting of the news, which it has been doing until now because the country needs it at this most difficult moment in its history.

We take advantage of this opportunity to thank our employees, publicity agencies, and private enterprise, without exceptions, and all the people for their solidarity and for their voice of support, factors that have given us the necessary encouragement to maintain the struggle.

Fernando Eleta Almaran.

## New RPC Head Makes Offer

*PA1808190689 Panama City Circuito RPC Television in Spanish 1730 GMT 18 Aug 89*

[Text] Eduardo Perez Arias, the new RPC administrator, this morning asserted that the freedom of expression that the Panamanian political opposition has enjoyed so far will be respected.

Perez said that, based on full respect for the freedom of expression and the objective handling of news in RPC radio and television newscasts, he has instructed the directors of both newscasts to give the opposition the opportunity to express their views on the national situation.

This way, Perez desires to dispel any doubts both in the community and among the members of the OAS delegation, who yesterday offered their good offices on this freedom during the talks being held at the Vallarino Building. According to the administrator, this again shows the national government's earnest desire to prevent the dialogue from getting bogged down. In addition, Perez said, this is in special deference to the foreign ministers and the OAS negotiating commission.

It will be recalled that Civic Democratic Opposition Alliance [ADOC] leaders had said they would withdraw from the dialogue if they did not have access to RPC Television's newscasts. With Perez' decision, this concern of the opposition groups has been eliminated.

## TV Station Announces Audit

*PA1908002189 Panama City Telemetro Television in Spanish 2315 GMT 18 Aug 89*

[Text] Referring to the controversial topic of withholding taxes on fund remittances to other countries, and with the intention of keeping Channel 13's listeners, clients, and other interested enterprises up to date on the channel's operations, we hereby report that 44 resolutions have been issued by the Regional Revenue Administration ordering an audit of Panamanian Media, Inc.—which owns Channel 13—to investigate the income tax paid on rentals of films and television programs.

It is appropriate to emphasize that this tax is owed by foreign companies which supply the programs, and Channel 13 is jointly liable because it failed to withhold the tax owed by said foreign companies when remitting funds abroad.

Based on the opinion of our legal advisers and our foreign auditors, and taking into consideration the political situation prevailing in the country, the enterprise has decided to accept the 44 resolutions issued by the Regional Revenue Administration—which are based on current laws—even though the mentioned tax had never actually been demanded by the treasury.

Given all these circumstances and the amount of taxes owed, the enterprise reached a settlement for payment that will guarantee the television station's economic survival and independence. We believe it is appropriate to mention the need to issue the appropriate laws in accordance with our situation. Such is the case of the cinema industry, whose activities are similar to the television industry.

### Court Rejects RPC Challenge

*PA1908160189 Panama City CRITICA in Spanish 19 Aug 89 pp 1, 14*

[Report by Toti Urriola]

[Text] The plenum of the Supreme Court of Justice yesterday rejected an amparo that lawyers of Corporacion Panamena de Radiodifusion, S.A. had filed against the Appeals Commission of the Finance and Treasury's General Revenue Directorate. The Court's rejection is based on the argument that the commission's order [to intervene in the corporation] originated in an agency with jurisdiction to rule on the matter involved, tax laws.

The Court's ruling points out that it has admitted such a special recourse at other times, when it has been used to attack arbitrary actions by public officials, when arbitrary actions or orders violate the Constitution, and when the seriousness of such actions requires the restoration of the violated rights, provided such restoration cannot be effected through ordinary means.

In RPC's case, however, the Court goes on, the action originated in the General Revenue Directorate, a body with jurisdiction in the matter involved, tax laws.

The Court's ruling is signed by Magistrates Rafael Dominguez, Gustavo Escobar Pereira, Enrique Bernabe Perez, Rodrigo Molina, Marisol Reyes de Vasquez, Jerry Wilson Navarro, Manuel Jose Calvo, Dilio Arcia T., and Secretary General Jose G. Broce.

### CRITICA Claims PCC Plans Mass Dismissals

*PA1808224689 Panama City CRITICA in Spanish 17 Aug 89 pp 1, 14*

[Front page article by Jorge Mombeliard under 1/4-page banner headline: "Dismissals at the Canal—Bush Gave the Order But McAuliffe Will Be the Hangman"]

[Text] If the plans devised in Washington for the Panama Canal Commission [PCC] to carry out a massive dismissal of workers are successful, hundreds of PCC workers could be dismissed in the next few weeks under the pretext of dwindling canal traffic.

According to information gathered by CRITICA from labor union sources in the canal area, "black clouds" are hovering over hundreds of PCC workers because of a serious warning from Washington that the PCC "urgently needs to face and resolve the fiscal year 1989 deficit."

The sources said that the plan set in motion to make the Panamanian unemployment problem worse includes the possibility of firing workers with less than 5 years of service with the PCC.

It was explained that, ironically, many of the workers included in an unofficial list of possible dismissals are fierce defenders of the U.S. policy against Panama.

At the same time, the labor union sources said that they are worried about the situation because they believe the PCC could find other alternatives to solve the problem so as not to fire Panamanians unjustly.

The source mentioned that there is a need for the United States to eliminate discriminatory subsidies, as well as the program to relocate U.S. citizens to the United States, which amounts to disbursements of approximately $10 million.

Under this relocation program the PCC pays wages to U.S. citizens sent to the United States "for 6 months or more," "until the effects of the Panamanian crisis have subsided."

### Manfredo Foresees Skilled Worker Exodus

*PA1808181489 Buenos Aires REUTER in Spanish 1620 GMT 18 Aug 89*

[By Adrian Croft]

[Text] Panama City, 18 Aug (REUTER)—The Panama Canal might suffer an exodus of skilled workers unless the Panamanian Government can ensure that it can operate the Canal without any problems when it takes control in the year 2000, a ranking canal official has stated.

Fernando Manfredo, Panamanian deputy administrator of the canal, hinted that the concern of the canal employees will increase as the date for the United States to turn over the canal to Panama—on 31 December, 1999—draws near.

Panama and the United States signed a treaty in 1977 for the gradual transfer of control of the interoceanic waterway.

"The big task is to try to retain these Panamanians in their posts," Manfredo told REUTER in an interview.

"It will be necessary to assure the employees that this canal will continue to be handled with the same level of professionalism, with the same ethical rules of conduct, maintaining the merit system for the employees and depoliticizing the canal," he added.

"If the Panamanian Government cannot provide these guarantees for the work force, we will probably witness a mass exodus of highly skilled Panamanian workers who can get jobs elsewhere."

Manfredo, who will leave his post at the end of this year, after being deputy administrator for 10 years, voiced his concern because some Panamanian workers have opted for early retirement to go to the United States.

The Panamanians make up 87 percent of the 7,500 canal workers.

The canal observed its 75th founding anniversary this week within the framework of Panama's political crisis, financial austerity, and growing competition in other transportation modes.

The canal was trapped in the conflict between the United States and Panamanian strongman General Manuel Noriega. Washington has refused to turn over to the Noriega-backed government part of the toll payments.

The canal's use has declined this year, with an almost 5 percent drop in cargo shipments.

Manfredo said that foreign consultants predict that the volume transported by the canal will be recovered during the coming year and will later increase from 1.5 to 2 percent a year until the year 2010, a growth level lower than that expected for world trade.

He added that the canal is facing the problem of coal tankers that are far too big to cross it and the competition of rail transportation of containers in the United States.

However, he noted that the greatest threat to the canal stems from modifications in the world shipping system.

Grain is the principal product transported by the canal. However, Australian exporters, which do not use the canal, are increasingly competing with the U.S. cereal trade in the Far East.

## PRD Communique Calls on Citizens To Organize

*PA2108023389 Panama City LA REPUBLICA DOMINICAL in Spanish 20 Aug 89 p 2-A*

[Communique issued by the Revolutionary Democratic Party (PRD), in Panama City on 18 August]

[Text] Once again the Torrijists [followers of late General Omar Torrijos] have made an in-depth analysis of the national program that we offer all Panamanians. The platform is a concerted broad social effort designed to promote the required liberating and democratic changes that the country requires, with the active participation and overall development of our country. According to our proposed plan, we reaffirm our willingness to continue to participate in the national dialogue and recall that we have repeatedly called for this dialogue during recent years.

We are, however, obliged to denounce that while the Panamanians' fatherland is being attacked and threatened by U.S. colonialist arrogance, the most reactionary opposition groups insist on delaying and interrupting the national dialogue—with irrational excuses that are not related to the negotiations—to avoid reaching solutions.

The fatherland is in danger. Foreign tanks violate our national sovereignty, while Panamanians seek a solution through concerted efforts. These actions, supported by the most recalcitrant groups in the country, offend the honor of each citizen as they impose upon us a despicable fate.

With the purpose of perfecting the pluralist government proposal of broad social participation to attain the country's true democratization, the Torrijists call all the country's communities and patriotic sectors to continue to organize to resist and prevent the destruction of our nationality and preserve our right to decide our own fate.

There will not be another Wisconsin Treaty, the traitors will not execute Victoriano Lorenzo again, we will not have another Bunau Varilla Treaty. The people, together with uniformed Panamanians, will know how to defend the country's independence and attain our own liberating democratization.

[dated] 18 August 1989

[signed] National Executive Commission, Political Commission of the National Directorate, People's Fronts Secretariats, and National Secretariats

## Journalists Willing To Struggle for Country

*PA1808180389 Panama City Domestic Service in Spanish 1100 GMT 16 Aug 89*

[Text] The Panamanian National Journalists' Union has issued a vigorous protest and has expressed its permanent willingness to struggle for our country's most precious interests.

Similarly, the Panamanian National Journalists' Union stresses that its members will take up their pencils and raise their fists to protest the meddling intimidation of the U.S. Southern Command and of the imperialist government, which are trying to isolate Panama and violate the law and spirit of the Torrijos-Carter treaties.

A communique signed by the members of the Panamanian National Journalists' Union board of directors stresses that, at present, there is no other country in the world experiencing the attacks our homeland is experiencing.

### Paper Comments on Riots, RPC Impoundment, Media

*PA1808120789 Panama City LA REPUBLICA in Spanish 17 Aug 89 p 5*

[From the "Take Note" column]

[Text] It has been reconfirmed that Nono the idiot [in reference to Guillermo Endara, former presidential candiate for the Civic Democratic Opposition Alliance (ADOC)], Crazy Nun [in reference to Ricardo Arias, ADOC's former first vice presidential candidate], and Hoarse Rooster [in reference to Guillermo Ford, ADOC's former second vice presidential candidate] are following specific instructions to dissolve the dialogue and make it fail. By taking the case of the Circuito RPC Radio and Television Network to the table of negotiations, the aforementioned individuals only show they are not interested in reaching any solution to the Panamanian problem. And they continue defending drug trafficker Carlos Eleta [a Panamanian citizen charged with drug trafficking in the United States].

The Panamanian Finance and Treasury Ministry should release the exact amount that the Calafates [in reference to the Eleta family, which owns Circuito RPC Radio and Television Network] owe the government in tax evasion. In that way, we would prevent the speculation and disinformation spread by rumors. And there is more on this issue. How is it possible that the Eleta family paid a bail of $3 million to $5 million to the U.S. Treasury and yet refuses to pay the Panamanian treasury what it owes it? The Eleta family, however, dismisses employees who have been working with them for years and pays them peanuts in severance pay.

We already said that the Panamanian Christian Democracy has over $1 million that Ricardo Arias brought into Panama from his latest trip to the United States. That money was distributed among Panamanian students to promote disturbances. Yesterday's incidents at the Arts and Crafts School in Panama City, the incidents in the schools in Colon Province, in other schools, and at the university are not spontaneous. There is a lot of dough involved in those incidents. The Crazy Nun and his gang of democretins [play on Spanish word democristianos, which means Christian Democrats in English] have distributed money among the students.

We do not know what Media Director Luis Romero Villalobos is waiting for to reprimand the Venevision [Venezuelan television station] correspondent to Panama for sending out distorted reports every day. A proof of that is that we have received telephone calls from Caracas complaining about those reports. We have requested a videotape of those reports to send to your office, Mr Romero.

In addition, it is necessary to ban the transmission of the Radio Exitosa programs that are a coarse copy of the programs that Cuban worms transmit in Miami. The Radio Exitosa programs even include those Cubans' voices. One only has to listen to the programs to realize that. Listening to those programs makes us feel as if we were in Florida. We are already looking like an annex of that U.S. state.

### ADOC Discusses U.S., FDP Military Exercises

*PA2008162489 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Aug 89 p A-13*

[Paid advertisement entitled "Position of the Civic Democratic Opposition Alliance (ADOC) on Military Exercises by the U.S. Armed Forces and the Panama Defense Forces"; signed by ADOC leaders Guillermo Endara Galimany, Dr. Ricardo Arias Calderon, and Guillermo Ford and dated 15 August 1989]

[Text] As the real voice of the Panamanian people and in exercise of the people's mandate for national democratization and reconciliation expressed in the 7 May elections, ADOC believes it must speak up, with patriotism but without fanfare, regarding the situation created due to frequent military exercises by the U.S. Armed Forces stationed in our country and by the Panama Defense Forces (FDP).

A militarily weak country such as ours must base its foreign policy on ethical and democratic principles that promote national unity and international respect. Only in this way can the country check any foreign attempt to trample the legitimate interests and the sovereign rights of Panama.

The military regime has taken a detour from this road and has adopted an adventuresome policy loaded with fallacies, slander, and rancor that goes to the extreme of repressing whoever disagrees with the official position, a policy that leads to factionalism among Panamanians.

In this regard, ADOC states:

A. It is extremely dangerous to play, as the military dictatorship has been doing, a game of national sovereignty based on treaties that, according to the late General Omar Torrijos—who was the inspiration for and main designer of the treaties—not only "put us under the umbrella of the Pentagon," but that also, "if they are not administered wisely by future generations, could also become tools for a permanent intervention."

B. Any attempt to pretend that the commander of the FDP can be identified with and represents national sovereignty is a crime against the fatherland. For this

reason, we must repudiate the government's sinister effort to label as a traitor anyone rejecting the aims of the dictatorship or demanding a prompt democratization of the country and the return to civilian government and a de jure state, which the vast majority of Panamanians desire.

C. The forging of Panamanian unity to defend national sovereignty must be based on respect for the people's sovereignty and on the principle of self-determination. It is obvious that this sovereignty and this principle have been systematically trampled by the military regime.

ADOC hereby reiterates to the national and international public its real and democratic nationalism as well as its rejection of any open or concealed attempt to ignore national sovereignty and the legitimate interests of Panama.

[Issued] Panama, 15 August 1989
[Signed] Guillermo Endara Galimany, president-elect
Dr Ricardo Arias Calderon, first vice president-elect
Guillermo Ford, second vice president-elect

### Panama University Issues Resolution on Closure

*PA1808224889 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Aug 89 pp C-8, D-44*

[Resolution issued by the University of Panama General University Council, dated 15 August 1989]

[Text] University of Panama

Resolution 3-89

Whereas:

I. The Constitution, Law 11 of 1981, and the University Statute expressly state that Panama University is autonomous.

II. These three documents state that the General University Council is the university's governing organ, which democratically elects the rector, the vice-rectors, and the secretary general.

III. Dr Abdiel Adames, rector of our higher learning institution, has been working with the highest responsibility as a university official and as a citizen.

IV. In the fulfillment of his duties, Dr Adames has made every effort to reinforce the patriotic, ethical, and professional values in the university.

V. Several sectors have initiated a campaign to have the university closed, put an end to the university's autonomy, and impose new authorities, at all levels, without the participation of the university community.

VI. The closure of the university would destroy the labor status of 2,400 administrative employees and 2,500 professors and make it impossible for 45,000 students to attend classes. The General University Council therefore:

I. Supports Rector Adames and all the democratically elected authorities.

II. Condemns all policies and actions leading to the closure of the university and the annulment of Law 11 of June 1981, which guarantees the university's autonomy.

III. Rejects all biased and irresponsible political moves by those who, violating the university regulations and opposing the university governing bodies, are trying to impose new authorities who will respond to the selfish interest of minorities that lack academic, political, and ethical prestige in the university.

IV. Continues in a state of alert against all meddling that endangers the university's autonomy and curtails the administrative employees,' professors,' and students' opportunities to work and study.

V. Delivers this resolution to the rector and the other university authorities. The University of Panama, 15 August 1989. [Signed] General University Council

The Panama University Secretariat certifies that this resolution has been unanimously approved by the General University Council. [Signed] Miguel A. Candanedo, secretary general.

### Technological University Resumes Classes

*PA1808224989 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Aug 89*

[Text] As of Monday, 21 August, classes will resume in all of the schools at the Technological University of Panama. This is contained in a communique from the University's Public Relations Department to its students in the nation's capital. The communique adds that classes will be given at the usual times at the main building on the Octovio Mendez Pereira campus, as well as at the university branches at Tocumen and at the Instituto America.

### C.A. Exports Increase $2 Million Monthly

*PA2008231989 Panama City LA REPUBLICA in Spanish 9 Aug 89 pp 2, 8*

[Summary] "For the first time in its history, Panama has increased its exports to Central American countries by $2 million monthly." Carlos Castaneda, director of International Trade Relations of the Panamanian Foreign Trade Institute [IPCE], made the announcement. He said that this situation has greatly reduced the flight of foreign exchange and has improved the country's trade balance.

The agreements signed between Panama and the five Central American countries, have "facilitated the entry of Panamanian products into Central American markets and have aided in improving our commercial exchange with those countries, because we sell more and buy less," Castaneda added.

He said that despite the economic crisis caused by the U.S. aggression, Panama's trade balance with Central America since 1988 has been, and continues to be, favorable.

**Business Leader on Short-Term Economic Outlook**
*PA2008202389 Panama City Circuito RPC Television in Spanish 1730 GMT 18 Aug 89*

[Text] Alfredo Maduro, president of the Panama Chamber of Commerce, today said the short-term outlook for the Panamanian economy is poor.

[Begin recording] [Maduro] The economy is returning to its level prior to the May elections, mostly because people have to buy what they need, but purchases of certain commodities have decreased considerably. An analysis of this will be seen when the Chamber of Commerce publishes its estimates in 2 or 3 weeks. Generally speaking, however, Panama's economy is in the process of reaching the 20-percent level it registered in 1987.

[Reporter] What is the short-term outlook for the Panamanian economy?

[Maduro] Very poor. No positive business projections are expected for the near future. But we will continue to survive, although in many cases capital will continue to be consumed. All Panamanians and businessmen want corporations to make progress to create new jobs for the university graduates. Otherwise, these young people will suffer in the near future. [end recording]

**SIP Reports Decrease in Bank Deposit Balances**
*PA2008035789 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Aug 89 pp 1-A, B-4*

[Article by Chief Editor Juan Carlos Duque]

[Text] Analyzing banking activity from June 1987 through the post-electoral period, the Association of Panamanian Industrialists [SIP] has pointed out that bank deposit balances continue to decrease.

According to an analysis, the balance of domestic accounts as of March 1988 "continues to decrease," even though the banking commission restrictions are still in effect.

The statistics show that there have been steady deposit withdrawals, establishing the balance as of March 1989 at 1.956 billion balboas compared to 3.032 billion balboas in June 1987, which represents a 1.076-billion-balboa decrease.

According to the SIP, this figure is slightly higher than that of December 1988, "but the bankers have admitted that during the pre-electoral period and following the annulment of the 7 May elections, there were massive withdrawals of bank deposits."

In that period a 1.076-billion-balboa decrease was recorded in bank deposits.

Regarding foreign deposits, the SIP pointed out that a much larger, but more understandable reduction was noted in the rest of the deposits, because this money is not used for everyday transactions. The foreign deposits dropped from 29.151 billion balboas in June 1987 to 8.267 billion balboas in March 1989 "even though it had increased by almost 500 million in March 1989 compared to June 1988."

"People are not making new deposits, and this keeps the banks from increasing their capacity for loans," the SIP pointed out, adding that "the figures show that there is a steady withdrawal of all the money the banks are releasing and placing at the disposal of the owners of savings accounts."

The SIP emphasized that for each balboa that is withdrawn from the savings accounts, credit capacity is reduced by 47 centavos.

**Social Security Fund Medicine Shortage Viewed**
*PA2008014089 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Aug 89*

[Text] Moises Melamed, chairman of the Legislative Assembly's health commission, today said the shortage of medicines is cause for concern.

[Begin recording] [Melamed] Today I met with Dr Rafael Reyes Richa and Dr Alberto Ayala at the office of the Social Security Fund General Hospital director. We discussed medicines and medical equipment. The existing crisis affects the fund's medicine purchases, even though the institution is authorized to purchase the medicines directly. The placing of the order and the actual arrival of the medicines consumes time. Time and economics aggravate the situation. I have also kept in touch with Dr Sanchez Cardenas and the health minister. We are very concerned over the shortage of medicines and medical equipment. The problem has to do with the budget and the time required for delivery. Orders are being placed. Personnel have been assigned to determine the nature of the many missing medicines.

[Reporter] Considering all the procedures and measures you have pointed out, what will now happen with the patients?

[Melamed] This is a problem. We must serve the patients, who are the true fund owners. It is the administrative personnel's duty to do everything possible so the patients can have what they need. But we are encountering difficulties. Although this may sound wrong, the patients should bear with the problem and apply pressure so it can be solved. The patients have the final word. [end recording]

## Media Review of Political, Economic Situation

*PA1808200889*

[Editorial Report] The following is a review of material from Panamanian and regional media related to the current political and economic situation in Panama. This review draws solely on broadcast and press reports monitored by FBIS Panama Bureau. The review covers the period from 14 to 18 August and includes some items that have been processed in fuller form.

### Off-Again, On-Again Tripartite Dialogue

The OAS-sponsored tripartite dialogue was halted, then resumed this week as opposition and government representatives squabbled over the takeover of the RPC Radio and Television Network, reportedly the largest media outlet in Panama. Guillermo Endara, leader of the Civic Democratic Opposition Alliance (ADOC), announced Thursday evening that no further negotiations would take place with progovernment and military representatives unless the government rescinded its impoundment of RPC assets and allowed normal operation of the network. On 18 August, Endara and another ADOC leader, Ricardo Arias Calderon, announced that they would resume the talks following the government's promise to OAS Secretary General Joao Baena Soares that RPC's "freedom of expression" will be respected. Arias added that the opposition had rejoined the dialogue "under the auspices of the OAS in a last attempt to seek a democratic solution" to the country's political crisis.

Shortly after the opposition announced its decision to rejoin the talks, RPC Television reported on a statement by the network's government-appointed administrator, Eduardo Perez Arias, who said that he had instructed the news directors of RPC radio and television "to give the opposition the opportunity to express their views on the national situation." Perez said that this action illustrated "the national government's ernest desire to prevent the dialogue from getting bogged down."

Earlier, on 17 August, Perez said that the government actions against RPC would end "the very moment" the network pays its tax liability which, according to Perez, totals $3.6 million. With regard to RPC news operations, Perez said "programming will be based on the media moral code which, as you know, includes objectivity, impartiality, and respect for human beings as persons."

### RPC Owner Reaction

RPC's owners responded on 17 August to the impoundment of network assets by publishing a paid advertisement in the daily newspaper LA ESTRELLA DE PANAMA, signed by the owner and president of RPC, Fernando Eleta Almaran. Eleta disputed the government's explanation for the takeover and protested the "disruption" of the network's newscasts. He said that the government action of sending RPC news directors on indefinite leave "clearly and without a doubt reveals the true purpose" of the administrative takeover. Eleta vowed to "do everything in our power to resume, as soon as possible, our objective and impartial newscasts."

### Student Demonstrations in Colon, Panama City

Student unrest in Panama this week spread to Colon, the country's second-largest city, as demonstrators from several secondary schools on 14 August blocked the main road linking Colon to Panama City and set fire to official vehicles and stoned government buildings. According to media reports, the students were protesting U.S. and Panamanian military maneuvers in the country as well as "FDP (Panama Defense Forces) repression" of recent student demonstrations. The initial unrest in Colon was followed on 16 August by further student "disturbances" in the city in which private and public property reportedly was damaged.

The Education Ministry reacted to the demonstrations by closing three secondary schools in Colon and David indefinitely, and by calling on school authorities to take "disciplinary measures" against students found to have "committed wrongdoings against the school." Education Minister Juan Bosco Bernal noted that the student demonstrations have been "encouraged by persons, in and outside the schools, who seek to disrupt public order and who have an obvious, expressly political and partisan interest."

Panamanian police used tear gas and birdshot to break up a Panama City demonstration by high school students on 16 August which was held to protest the closure of schools in Colon. No injuries or arrests were reported.

### Panama University Activities

Government-controlled media reported that classes resumed on 16 August at the University of Panama after a 13-day suspension. The independent radio station Panama City Exitosa noted, however, that the university school of public administration declared a 48-hour strike beginning 16 August; at the same time, the law school announced a general student assembly to discuss the situation at the university. Exitosa carried remarks by the secretary general of the university who said that the

University General Council has agreed to student demands for campus forums in which to discuss national problems, including the domestic political process and "U.S. aggression." The official said that students will hold assemblies, possibly including a large outdoor mass, to discuss the political situation and "express their discontent." Meanwhile, the Technological University of Panama, which is partially housed on the University of Panama campus, announced that classes will resume on Monday, 21 August.

**Regional Organization Reaction**

A declaration issued by the Conference of Latin American Municipalities, which was held in Panama City from 11 to 14 August, rejected foreign military aggression in Panama and called for the lifting of U.S. economic sanctions against the Panamanian Government. The mayors of 30 Latin American cities signed the conference "Final Document," which also expressed support for the fulfillment of the Torrijos-Carter treaties and the country's right to self-determination and sovereignty.

The government daily CRITICA on 17 August reported on a communique issued "recently" in Mexico City by the Organization of Latin American Journalists (FELAP) and the International Organization of Journalists (OIP) which stated that "the military provocations against Panama, which have increased in the past few days, represent the greatest offense to Panama and to all Latin Americans."

**The Economy**

Spain Asked To Curtail Aid—ADOC official Carlos Gonzalez told Spanish newsmen in Madrid that the Spanish Government should "stop giving economic aid to General Manuel Noriega's Executive Branch." Gonzalez said that Spanish aid is used to "carry out a policy of repression." He noted that the Noriega regime provides "all types of aid" to Basque separatist activists who have been deported to Panama.

Canal Layoffs Predicted—CRITICA on 17 August carried a front page article which predicted "mass dismissals" of Panama Canal Commission (PCC) employees. The newspaper said that hundreds of Panamanian workers face layoffs in the next few weeks following a "serious warning" from Washington that the PCC "urgently needs to face and resolve the fiscal year 1989 deficit." Labor union sources cited by CRITICA claim that PCC deficits could be made up by other measures such as ending the program to relocate U.S. citizens to the United States for 6 months or more "until the effects of the Panamanian crisis have diminished." According to labor officials, this program costs the PCC approximately $10 million.

Housing Investment Program—Housing Minister Ricardo Bermudez announced on 16 August that the ministry, along with the private and social sectors, will carry out a $500 million housing investment program over the next 20 years. In the first 5 years of the program, from 1990 to 1994, housing construction investments will total $39 million, primarily for low-income housing. Bermudez noted that the program has been formulated "taking into consideration the present limitations in obtaining traditional credits."

## Argentina

### Negotiations With UK Scheduled 17-18 Oct

#### Joint Communique Issued

*PY2008002889 Buenos Aires LA PRENSA in Spanish 19 Aug 89 pp 1, 4*

[Text] According to a joint communique released in Buenos Aires and in London today at noon (Argentine time), Argentine and UK representatives will meet on 17 and 18 October 1989 in Madrid to consider future bilateral and diplomatic relations between the two nations.

The communique notes that "when necessary, the discussions will be held under the terms of a formula that will protect the position of each side regarding sovereignty" over the southern archipelago.

The decision to hold the meeting in the Spanish capital within 2 months was made during talks that have been going on 16 August in New York between Lucio Garcia del Solar, the special Argentine representative, and Crispin Tickell, the permanent UK ambassador to the United Nations.

The text of the communique, which was read by Foreign Minister Domingo Cavallo in the press room of Government House, is as follows:

"The special representative of the government of the Argentine Republic, Ambassador Lucio Garcia del Solar, and the permanent UK representative to the United Nations, Sir Crispin Tickell, met in New York from 16 to 18 August 1989 to discuss the date, agenda, and terms of an upcoming substantive meeting between representatives of the two governments.

"It has been agreed that this meeting will be held in Madrid on 17 and 18 October. It was also agreed that, when necessary, the discussions will be held under the terms of a formula that will protect the position of each side regarding sovereignty or territorial and maritimejurisdiction over the Malvinas Islands, South Georgieas, and South Sandwich Islands, and the surrounding sea areas.

"The meeting will include Argentine-British relations (including future consular and diplomatic relations):

"a) Measures to promote trust and to prevent military incidents.

"b) Trade and financial relations.

"c) Sea and air communications.

"d) Fishing preservation and future fishing cooperation.

"e) Contact between the Malvinas Islands and the continental territory.

"f) Cultural, scientific, and sports relations.

"g) Other bilateral issues.

"To emphasize their commitment to improving relations and to facilitate arrangements conducive to that end, both sides have agreed (subject to the approval of the powers representing them) to implement a package of measures designed to improve diplomatic contacts and communications. The two sides specifically committed themselves to allowing their respective interest sections to have their own secure communications and direct official access to the Foreign Ministry. They also committed themselves to removing personnel restrictions on those interest sections.

"The representatives of the Argentine Republic and the UK emphasized the intention of their respective governments to take advantage of this opportunity to encourage the normalization of their relations and promote their common interests in peace and stability in the South Atlantic.

"New York, 18 August 1989."

#### Foreign Minister Comments

*PY1808183089 Buenos Aires TELAM in Spanish 1732 GMT 18 Aug 89*

[Text] Buenos Aires, 18 Aug (TELAM)—Foreign Minister Domingo Cavallo today praised the agreement signed by the representatives of Argentina and the United Kingdom to meet 17-18 October in Madrid to discuss bilateral relations.

Cavallo read an Argentine-British communique at Government House. The communique was released simultaneously in New York and London.

Cavallo said that 17 October was considered appropriate by the representatives of the two countries so that "the two parties have time to prepare the information necessary to cover all the topics on the agenda."

Asked by reporters about the decision to meet in Madrid, Cavallo said "our representatives" made the proposal to meet in a neutral country and "the proposal was immediately accepted."

Cavallo did not rule out the possibility of other meetings between high-ranking officials of the two countries in the United Nations before the Madrid talks, but he warned that "as long as the details of the meetings are not fully agreed upon, we prefer not to comment on them."

Asked if the two countries would resume diplomatic relations this year, Cavallo said: "We would like to see progress quickly, but it is difficult to predict a date while negotiations continue."

Cavallo admitted that the results of the first meeting, which were announced in the past few hours, "are very encouraging," but he emphasized that only after the Madrid talks could we predict a date for the resumption of diplomatic relations.

After giving details on the topics included in the communique, Cavallo said that the two countries will consider the meaning of "an umbrella" for sovereignty before discussing it on 17 October in Madrid.

Regarding the appointment of a delegation to go to Madrid, Cavallo said: "They will be appointed in due time," and he added that "it will be a negotiating commission because, as you can see, the scope of the topics is very broad."

Asked about who would head the delegation, Cavallo said that "the issue is not well defined yet."

Referring to the exclusion zone established by the UK around the Malvinas Island, the Argentine foreign minister said that "the restrictions that existed are still maintained."

This subject, Cavallo said, will also be discussed during the meeting in Madrid, but he added that "no unilateral measures will be adopted; they will rather be the result of joint decisions."

The minister said he would inform Congress of all aspects of the talks held so far. He said that on 30 August he will go to the Chamber of Deputies to explain the subject further.

In reply to a question, the minister said that "we achieved an immediate improvement of relations between the two countries," and he added that "this achievement was mainly the result of the Argentine attitude."

Asked whether the Argentine Government was optimistic or not about the possibility of lifting the exclusion zone, Cavallo said: "This is a negotiation and a delicate process in which each party cannot show its cards and goals beforehand. Therefore, I will not reveal any more details than those specified in the communique."

When asked about a British report that the British Government will not change its position regarding the sovereignty of the Malvinas Islands, Cavallo answered that "obviously the positions of the two countries have not changed in this," and he reiterated that for that reason they are speaking of "an umbrella."

In conclusion he stressed that the British Government has not implicitly recognized Argentine sovereignty over the Malvinas Islands, but it has "acknowledged a dispute over the sovereignty" of the islands.

### Reactions to Negotiations Noted

*PY1908232089 Buenos Aires DYN in Spanish 1527 GMT 19 Aug 89*

[Excerpt] Buenos Aires, 19 Aug (DYN)—The agreement between Argentina and the United Kingdom toward resuming bilateral relations has prompted different reactions today. The agreement will bring about negotiations on different issues involving the Malvinas Islands, but the sovereignty issue, which was the cause of the 1982 war, will be put under an "umbrella."

Radical Civic Union [UCR] Senator Luis Leon considers the pragmatism employed by the government of Carlos Menem in dealing with this issue to be "dangerous." Leon added that Buenos Aires should put aside a possible resumption of diplomatic relations with the British because "matters of dignity" are involved.

The UCR senator stated: "I cannot imagine the British ambassador to Argentina marching down the streets of Buenos Aires escorted by the grenadiers to present his credentials to the president."

He went on to say that if Margaret Thatcher's government is reluctant to lift the 200-mile exclusion zone it has imposed around the islands, "we should not negotiate under an umbrella."

However, Rogelio Frigerio, head of the Integration and Development Movement (MID), has stated that "the resumption of talks with the United Kingdom is a historical fact" that honors the Argentine diplomatic tradition.

He added that the agreement between the two countries "is very auspicious, especially because it implies that the absurd UCR policy on the issue should no longer be implemented."

Brigadier Jose Julia, chief of the Air Force General Staff, yesterday supported the negotiations initiated by the executive branch regarding the Malvinas Islands issue and promised "all support" to the production plans involving the aerospace industry.

Movement Toward Socialism (MAS) leader Luis Zamora has recalled that during his political campaign Menem "had stated that he was going to expropriate the British farms in Argentina to apply pressure (for the return of the islands), and now he is giving away everything for nothing."

He added that what is seen "under the 'umbrella' is the Argentine Government bowing down to Thatcher, because while the United Kingdom is installing a military base on the Malvinas Islands and is receiving hundreds of millions of dollars from fishing activities, the Argentine Government is yielding to demands to lift commercial and diplomatic restrictions." [passage omitted]

### Fishing Under Secretary Comments

*PY1908182689 Buenos Aires TELAM in Spanish 1600 GMT 19 Aug 89*

[Excerpt] Buenos Aires, 19 Aug (TELAM)—Fishing Under Secretary Luis Otero has said that "it is very likely that the first step toward the resumption of bilateral relations will be a UK decision to lift the exclusion zone it imposed around the Malvinas Islands after the South Atlantic conflict."

In a statement to TELAM, Otero added: "An interministerial committee, comprising representatives from the Economy, Defense, and Foreign Ministries, has been established to oversee all those details."

Otero explained that the South Atlantic issue "not only includes the Malvinas Islands, but also the resources found in the area, the continental shelf, the economic exclusion zone, the exclusion zone surrounding the islands, and the area adjacent to the economic development zone." [sentence as received]

He said: "We have inalienable rights over the Malvinas, including sovereignty, but we are also realists. We believe progress should be made step by step until we achieve a definitive solution."

Otero added: "This issue affects fishing in the area and the [words indistinct] relations with Argentine and [words indistinct]."

It is necessary "to lift the exclusion zone so that Argentina may have access to the resources that have been off limits to Argentina since the war."

He added: "I am a realist and an optimist, and I believe that the negotiations that are being held will create the necessary conditions to allow us to discuss seriously the lifting of the entire fishing zone under administrative control established around the islands."

### Cavallo on UN Resolution on Falklands, EEC Ties

*PY1908231089 Buenos Aires TELAM in Spanish 2007 GMT 19 Aug 89*

[Text] Cordoba, 19 Aug (TELAM)—Foreign Minister Domingo Cavallo has said here today that "there is no deadline" for the resumption of relations with Great Britain. He reiterated that negotiations over the Malvinas Islands "have begun" but warned that "we cannot predict how fast we will achieve our objectives."

He said: "We pointed out that we want to resume relations as soon as possible." He added that "we are in the process of negotiations, and we must defend the sovereignty of the Malvinas Islands. Therefore, the success of the negotiations will depend on the agreements attained."

He said that "the fact that we started negotiations improves our relations with the entire world an especially with the EEC." He added that this situation "will allow us to remove from the UN agenda the annual Malvinas resolution issue on which practically all of Argentina's diplomacy was concentrated."

During a long talk with the media after attending the anniversary activities of the "Mediterranean Foundation," Cavallo said that the UN evaluation of the Malvinas issue "concluded by calling for dialogue."

Regarding the negotiations, Cavallo said that "they have started" but "we cannot make predictions on how fast we will achieve our objectives. But we are on the right path. There is an open dialogue, and this allows us to study all aspects of bilateral relations."

Cavallo believes that the negotiations will lead to an improvement of relations with the EEC because "just the fact that negotiations began can help remove the obstacles that were preventing full use of the EEC trade system."

Cavallo said that the decision to withdraw the Malvinas issue from the UN agenda "has practically been made." He then referred to the talks to be held in Spain, saying that "although it has not yet been decided, a commission of diplomatic experts will be in charge of discussing the various issues on the agenda for the negotiations."

Cavallo did not discard the possibility of a meeting between the foreign ministers of the two countries. He added that "a meeting between the chiefs of state of the two countries cannot be ruled out either." But he explained that "this will be evaluated according to the needs and possibilities of the two countries."

Asked about the possibility of meeting with the British foreign minister, Cavallo said that "we will probably attend the upcoming UN General Assembly session in September," which, he said, will also be attended by President Carlos Menem.

Cavallo emphasized "the cooperation of the Brazilian, Swiss, and U.S. Governments and that of the Latin American and European countries that pointed out to the Argentine and British Governments the need to channel the dispute over the sovereignty of the Malvinas Islands and other bilateral issues through dialogue and negotiations to prevent a conflict."

Asked about a solution to the "military issue," Cavallo said that "President Menem will make the appropriate decision in accordance with the rights granted by the Constitution to the president and to Congress, but with respect for the division of power."

Cavallo said that "no one will be able to object over the legality of the decision made." He added: "The world will be able to see that this is a delicate political issue and that we Argentines are better able to evaluate the situation. The world will understand that Menem's decision will be the best for the consolidation of the democratic system and the pacification of the Argentine people."

### Menem To Seek 50-Percent Debt Reduction

*PY1808205489 Buenos Aires BUENOS AIRES HERALD in English 18 Aug 89 p 1*

[Text] (DYN)—President Carlos Menem yesterday suggested that his government will "aim for at least a 50 percent reduction" on its 67 billion-dollar foreign debt if the Brady Plan is extended to include Argentina and other countries.

Menem also pointed out that future negotiations with foreign creditors will have to adjust to the country's growth possibilities.

The President underlined that the debt-reduction scheme signed between Mexico and its foreign creditors had allowed the Aztec country to reduce its 100-billion-dollar foreign debt by 35 percent, but he pointed out that "Argentina aspires to much more, to at least a 50 percent" reduction.

Menem remarked during an interview with a Venezuelan TV crew that "Argentina's creditors, who had given up hope that we would pay them back, have lately expressed their willingness to resume negotiations.

An Economy Ministry source had earlier revealed that the government is working "very hard" to reach an agreement with the International Monetary Fund (IMF) which would allow Argentina to obtain a 1.5 billion-dollar stand-by loan.

According to the source, IMF Director-General Michel Camdessus would announce the accord during the Fund's annual assembly in Washington between September 25 and 27.

If the IMF deal comes through, Argentina would be able to resume negotiations with creditor banks for fresh loans.

### Indicted Colonel Enjoys Weekly 72-Hour Leave

*PY1808163389 Buenos Aires TELAM in Spanish 1452 GMT 18 Aug 89*

[Text] Buenos Aires, 18 Aug (TELAM)—Lieutenant Colonel Aldo Rico "is standing trial—but has not been sentenced—and enjoys a 72-hour weekly leave, which has been authorized by the court martial, as provided for by military regulations." This was reported to TELAM by a reliable source in the Army General Staff.

The high-ranking source also pointed out that Rico's legal status is "different from that of former Admiral Emilio Massera, because Massera is already serving a sentence, handed down by the military courts, in the military penitentiary of Magdalena."

The source made it clear that "anyone standing trial can take a 72-hour weekly leave and travel as far as 60 km from the barracks in which the trial is taking place."

Aldo Rico was photographed yesterday by a reporter of a Buenos Aires morning daily at a bar at the intersection of Cordoba and San Martin Avenues in downtown Buenos Aires.

In this regard, the source questioned by TELAM pointed out that "Rico has not violated any regulation" and that his "status" is "regular."

Nevertheless, the high-ranking military source stated that the attitude of Lt Col Aldo Rico "has annoyed and angered members of the Army General Staff," who described Rico's public appearance as "inopportune and ill-natured."

## Colombia

### Government Takes Measures After 18 Aug Killings

### Liberal Senator Shot

*PA1908022989 Madrid EFE in Spanish 0216 GMT 19 Aug 89*

[Text] Bogota, 18 Aug (EFE)—Senator Luis Carlos Galan, Liberal Party presidential hopeful, was shot this evening when he was about to give a speech at the main square of Soacha, 15 km south of Bogota, it was confirmed by police and health authorities.

According to the first reports, at least one man fired on the senator from among those gathered. The senator is currently at the emergency room of a hospital in Bosa, close to Soacha. Two other persons were wounded during the attack.

### Dies of Wounds

*PA1908041789 Madrid EFE in Spanish 0406 GMT 19 Aug 89*

[Text] Bogota, 18 Aug (EFE)—Medical authorities have reported that Luis Carlos Galan, senator and presidential hopeful, died tonight 2 hours after having been shot in an attack.

Galan, 46, was machinegunned together with five other persons who were wounded when he was about to deliver a speech tonight in Soacha, near Bogota.

### Councilman Also Wounded

*PA2008031289 Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 20 Aug 89*

[Text] Soacha Councilman Julio Cesar Penaloza, who was wounded last night during the attack in which Liberal Party Senator Luis Carlos Galan Sarmiento was killed, is still in serious condition.

Penaloza is currently receiving medical treatment at the National Social Welfare Institute.

### Police Chief Murdered

*PA1808133989 Bogota Emisoras Caracol Network in Spanish 1220 GMT 18 Aug 89*

[Text] Medellin—Antioquia Police Department Chief Waldemar Franklin Quintero was murdered this morning on this city's west side.

The gunmen fired on the police commander when his vehicle stopped for a red light at Road 80 and 48th Street, near Martin Rodriguez Velodrome, a few blocks away from where the governor of Antioquia was murdered on 4 July.

The automatic weapons fire, which lasted over 3 minutes, also seriously wounded one of the agents accompanying Col Quintero.

According to police sources, the police chief's white Nissan pickup, with license plates ME-7847, was intercepted by the assassins' gray Mazda, license plates MI-1630.

A criminal court justice identified the body of the police commander murdered this morning in (Salasan), on this city's west side. The police chief was shot in the head several times.

Police units and security corps agents have reinforced strategic points in Medellin and police checkpoints have been established in the search for the criminals.

A metropolitan police officer has reported that for the past week, Police Chief Quintero had been without a personal escort. The police chief had explained that he did not want to risk other policemen's lives. He dismissed his personal escorts, appointing them to other duties.

The police commander's assassination has created a lot of commotion in Colombian society. Antioquia Governor Elena Montoya has stated her concern over this new episode of selective violence and pointed out the efforts that the police commander had been making to provide security to the citizens of this region.

Metropolitan Police Chief Antonio Sanchez has rejected this new act of violence against the police as an institution. The Medellin Security Council will initiate a special meeting in the next few minutes to analyze the situation.

Commander Quintero fought drug trafficking and subversion in Antioquia Department. From the moment he became Antioquia police commander, Quintero became known for his exercise of authority and for designing strategies designed to provide public order.

On several occasions he participated in regional security council meetings where ways to fight crime in Antioquia were discussed.

Last Wednesday he accompanied Governor Montoya to Tolima for a security meeting to discuss the situation in the regions. At that meeting, measures were established to fight subversion and common criminals.

### Investigated Right-Winger

*PA1808152789 Madrid EFE in Spanish 1421 GMT 18 Aug 89*

[Excerpts] Bogota, 18 Aug (EFE) - Police Commander Colonel Waldemar Quintero, who was murdered today in Medellin, 2 days ago arrested Alonso de Jesus Vaquero, "Vladimir," accused of directing an extreme right-wing group, which in January killed 2 judges and 10 policemen in La Rochela, in the northeastern part of the country. [passage omitted]

On 16 August, Magistrate Carlos Ernesto Valencia Garcia, a judge for the superior appeals court, was murdered in Bogota. On 28 July, Medellin's 3d Police Judge Maria Elena Diaz Perez was murdered in that city.

The common denominator in all these murders are investigations involving bands of armed extremists and drug trafficking chiefs such as Pablo Escobar Gaviria, number one in the "Medellin Cartel," and Gonzalo Rodriguez Gacha, "The Mexican," chief of operations of the same group. [passage omitted]

### 'Extraditables' Claim Murder

*PA1808182189 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Aug 89*

[Excerpts] The extraditables today claimed responsibility for the murder of Antioquia Police Commander Colonel Waldemar Franklin Quintero, which occurred this morning in Medellin. The criminal attack on the officer occurred a scant month after the murder of Antioquia Department Governor Antonio Roldan Betancur.

A policeman was killed and another policeman wounded during the terrorist attack. Col Quintero did not have a police escort by his own behest. Col Quintero was directing operations against drug trafficking and consequently had been the object of death threats. Here is a report by Gladys Vargas from Medellin.

[Vargas] This morning Antioquia Police Commander Col Waldemar Franklin Quintero left his residence to begin his daily duties at Antioquia Police Headquarters. As the vehicle drove through the America neighborhood, seven blocks from where Antioquia Governor Antonio Roldan was killed, the vehicle that Col Quintero was in —a white Nissan patrol vehicle with license plates ME-7847—drew to a stop in front of a red light at the Carrera 80 crossing. Several individuals in a gray Mazda 626 vehicle, with license plates MI-1630, took advantage of this circumstance to fire volleys of submachinegun fire against Col Quintero, who died instantly.

Col Quintero did not have a police escort. Just 8 days ago he decided to dismiss the escort, because he did not want anyone else to be killed if there were an attack on him. Only Col Quintero and a police driver were in the vehicle.

The judge of the 76th District Court, who directed the removal of the body, said that several types of weapons were used in the attack and more than 100 shots were fired.

According to eyewitnesses, Quintero was fired at "incessantly" in a downtown Medellin street at 0600 local time (1100 GMT) after his car was intercepted by another vehicle from which various unidentified men got out to commit the crime.

Col Franklin Quintero, considered by his superiors as an implacable enemy of drug traffickers and organized crime, was killed in the action.

The Colombian deputy police director, General Carlos Arturo Casadiego, said: "It is no secret that the Medellin mafia is responsible for all the crimes" taking place in the country.

Quintero's murder joins that of Magistrate Carlos Valencia Garcia, who was murdered in Bogota on 16 August. At the time of his murder, Valencia was investigating the Medellin cartel chiefs' links.

### Army, Police Deploy in Medellin

*PA1808214989 Madrid EFE in Spanish 2030 GMT 18 Aug 89*

[Excerpt] Bogota, 18 Aug (EFE)—It was officially reported today that 800 Colombian Army and police members were taken from Bogota on board four planes today and deployed in the city of Medellin to reinforce the Medellin authorities.

A National Police source told EFE that the 800 men "are part of a group chosen by the police and Army to counterattack crime in Medellin."

The deployment was ordered by the police and Army High Command as a result of the murder of Antioquia Police Chief Colonel Waldemar Franklin Quintero today in Medellin, Colombia's second largest city.

### Barco Announces Measures

*PA1908034989 Bogota Inravision Television Cadena 1 in Spanish 0241 GMT 19 Aug 89*

[Address to the nation by President Virgilio Barco Vargas from the Narino Presidential Palace—live]

[Text] Fellow countrymen: I am addressing you to explain the measures under the provisions of the state of siege [medidas de estado de sitio] which have been adopted at a time when the nation has justified reasons to feel angry and moved by the serious actions of violence that have taken place in recent days. Unfortunately, Luis Carlos Galan, the Liberal Party presidential hopeful, was the victim of another attack tonight. Senator Galan has been taken to a hospital. Let us pray to God that he will recover from his wounds.

The criminal organizations and the narcotics traffickers have unleashed a wave of assassinations and deaths. There have been attacks against representatives and leaders from all sectors of the country and from all institutions. High-ranking government officials, several judges, political leaders, soldiers, citizens, and public officials have been the victims of this barbarism.

Violence affects all. It is not an offensive against the government or against justice; it is a war against the country. Therefore, the entire country must respond. I can understand how the murder of Magistrate Carlos Valencia led the judges of the Republic to protest and to request more protection, but for the magistrates and judges to resign only contributes to worsening the situation which we must all solve by working together. This is also equivalent to yielding to the terrorists who are trying to paralyze the administration of justice.

True heroes such as Carlos Valencia, Waldemar Franklin Quintero, and other judges, policemen, soldiers, and bodyguards have prevented this by fulfilling their duties without yielding to intimidation or bribery. I invite all

judges of the Republic to resume their work. The government has adopted more measures to protect them, and it will continue to render all the cooperation they require and which is available. All good Colombians must join the efforts. No more lamentations without true action of cooperation with the authorities.

It is necessary that all forces of the state and of society—political parties, unions, media, civic organizations—all serve justice and the struggle against crime. We must be prepared to endure more sorrow and sufferings. Only if all Colombia perseveres in a truly strong and solid manner—but not just with words—in the difficult battle against crime, will we be able to banish violence.

Drug traffickers, criminals, and enemies of society have used barbaric means to the fullest to keep justice and law from prevailing. Actions against these people made them react. But we will not become weak or yield, because the future of the nation and the survival of society is at stake. All Colombians have important responsibilities in this struggle: the national government, the Judicial Branch, the Congress of the Republic, the political parties, and the individual citizen. We are going to step up actions and strengthen the measures we have been implementing with good results.

To this end, the Council of Ministers met today to review and issue a package of decrees under the provisions of the state of siege, enabling us to go farther than pursuing, isolating, and punishing violent persons. I want to explain what these measures are. Decrees approved by all the ministers contain drastic dispositions to complement those the government adopted in 1986. The first decree resolves the existing obstacles to extradite drug traffickers. The government studied several alternatives to extradition. The one selected for the decree under the provisions of the state of siege suspends the Penal Code article that requires the implementation of an international treaty to extradite a Colombian citizen. In addition, it establishes the possibility of allowing an extradition through administrative means, foregoing the need to have a previous court order.

Drug traffickers have used their money not just to bankroll crimes and perpetrate atrocities, but also to purchase ranches, houses, stocks and shares, bonds, securities, and cattle. These goods have helped—together with the complicity of citizens who have betrayed Colombia for their personal gain—to launder dirty money, the fruit of their bloodthirsty actions. Those goods are part of the profits of the lethal and outlawed drug trafficking business.

Therefore, these goods will be seized, foregoing the need to convict these criminals. In addition, all the personal and real estate properties directly or indirectly used to produce, process, traffic in, and illegally market narcotic drugs will be seized. Those lending their names to hide the true owner of any of these goods will be punished with up to 10 years in jail and fines. Penal proceeding regulations have been modified to expedite actions by the authorities. In cases of drug trafficking, terrorism, and related crimes, a suspect will be detained and kept in isolation for 7 days, whereas now that person could only be kept for 24 hours.

Although the government has significantly increased budget allocations for the Legal Branch, we must earmark more resources, specifically to ensure the safety of judges. One of the decrees under the provisions of the state of siege creates a special fund to make protection of judges and their relatives more efficient. The day before yesterday, the government put into effect regulations concerning Law No 58 of 1985, to ensure that organizations that want to conduct armed proselytizing activities cannot be granted legal recognition.

That measure will be complemented with a decree—which falls under the provision of the state of siege—according to which those who with the excuse of carrying out political campaigns or other election activities use weapons or threaten people by other means to obtain support or votes for a specific candidate or list of candidates and according to which those who, using those same means, prevent a citizen from exercising his right to vote, will be imprisoned for 3 to 6 years and will have to pay a fine equivalent to 10 to 50 times the legal monthly minimum wage.

As for the media, whose role is essential in the maintenance of public order in the country, I would only state that the Constitution guarantees them full freedom in times of peace, but they will be held responsible before the law when they attack people's honor, social order, or public tranquillity. The government will then enforce those laws in accordance with the Constitution.

Based on special powers, today the government issued other decrees that the National Congress approved on a government request. I will mention only one of those decrees. This decree amends our penal code.

The public naming of jurors will be eliminated. Organized crime took advantage of that jury appointment system and avoided the action of justice by intimidating jurors. The new decree reduces formalities and creates roving judges who will have authority throughout the country, thus increasing the flexibility of the judicial system. Those judges will judge any crime that will be given special importance for reasons of public order.

These measures have been carefully studied. That, however, does not mean they cannot be supplemented in the future if necessary.

When drafting these decrees we, as usual, paid due attention to the honorable Supreme Court of Justice's decisions so that the current decrees follow along with the guidelines of the Constitution.

The threat that drug traffickers and organized crime represent justifies the severity of the measures we have adopted. Colombians can be sure we will continue making all the necessary efforts to regain tranquillity in Colombia. I am sure we will overcome these difficulties. A handful of criminals will not defeat a unified nation that is willing to struggle against crime.

We are certainly experiencing a difficult time. However, we have experienced even more difficult situations and Colombia overcame them. We must not stray from our path, because that is what the criminals want. By falling into despair we will be playing the terrorists' game. If we continue ahead firmly and decisively, we will have much better results. Instead of wasting our time in disputes and reciprocal reproaches, let us unite our actions against our common enemy. We must win this war. I am sure we will succeed. Good evening and see you soon.

### Earlier Barco Criticism

*PA1808185989 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Aug 89*

[Report by Jesus Garzon]

[Text] President Virgilio Barco today asked electoral, military, and legal authorities to assess the situation stemming from the emergence of the political group MORENA [National Renewal Movement] in the middle Magdalena region. The president spoke harshly to condemn political groups that seek to reach power through acts of intimidation.

[Being Barco recording] The corresponding authorities should exclude from the elections process any group that uses, albeit indirectly, methods of coersion and force to reach its goals. The Armed Forces must play a key role in keeping all sorts of immoral and criminal groups from participating in political activities. [end recording]

Barco, National Defense Minister General Oscar Botero, and the top military command celebrated at noon today in Bogota the 61st anniversary of the Presidential Guard Battalion.

### Candidates Stop Campaigning

*PA1908211689 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 19 Aug 89*

[Text] Colombian presidential candidates have announced the suspension of their political campaigns. All the political parties have unanimously rejected the murder of Luis Carlos Galan. The wave of political murders has left the country in a state of shock. following are some reactions voiced today at the wake for the murdered Liberal candidate:

[Begin recording] [Conservative Party leader Alvaro Gomez Hurtado] The country has been attacked for the past 3 years and it has not accepted this fact. I have repeatedly asked for a state of siege to be implemented. At last, the state of siege was declared yesterday. I have been asking for this for the past 3 years. Galan would not be dead today if the proposal we made 3 years ago would had been accepted.

[Former Liberal Colombian President Alfonso Lopez Michelsen] It was right to call for a reaction from the country; we have to learn to react, and it is necessary to do so. [end recording]

### Barco, Liberal Candidates To Meet

*PA2008030689 Bogota Emisoras Caracol Network in Spanish 0220 GMT 20 Aug 89*

[Text] Colombian President Virgilio Barco today called the Liberal Party presidential hopefuls to a meeting at the Palace on 20 August. The meeting will be held at 0900 and will deal with the ruling party's campaign to select the official candidate for next year's elections.

Caracol learned this evening that the death of Senator Luis Carlos Galan Sarmiento, who was one of the presidential hopefuls, will require a change in the process to select the Liberal Party candidate for the presidential elections. Some of the presidential hopefuls favor changing the popular consultation and will propose this to the party leaders and to the president.

The meeting will be attended by Liberal Party national director Julio Cesar Turbay Ayala. One of the presidential hopefuls told Caracol that he favors the suggestion that all the candidates reach an agreement to reform the popular consultation and to have total guarantees for the competition for the nomination.

### Judges Withdraw Resignations

*PA2108024789 Bogota Emisoras Caracol Network in Spanish 0200 GMT 21 Aug 89*

[Text] After the assassination of Liberal leader Luis Carlos Galan, the country's 4,015 judges decided to lift the strike they had called on 17 August following the assassination of a magistrate, and withdrew their resignations.

It is not the moment to go on strike or to resign, Jose Gabriel Salom, president of the Supreme Tribunal of Bogota, stated. He and 47 colleagues had presented their resignation last Friday to protest the assassination of Magistrate Carlos Valencia Garcia, presumably by paid assassins of drug traffickers. Valencia Garcia had rejected the appeals to exonerate Pablo Escobar Gaviria and Gonzalo Rodriguez Gacha, kingpins of the cocaine trafficking group of the Medellin Cartel, from the charge that they had masterminded the assassination of journalist Guillermo Cano, director of the newspaper EL ESPECTADOR, and Jaime Pardo Leal, president of the opposition party Patriotic Union.

Antonio Suarez, president of the Judicial Branch Public Employees Association, announced that the strike has been called off and that nine judges are investigating the assassination of Senator Galan.

The Judicial Branch will resume activities on Tuesday. The strike of the judges, compounded by the resignation of some of them, interrupted the consideration of three cases. The strike was also called to force the government of President Virgilio Barco to adopt measures to protect the magistrates whose lives have been threatened by organized crime.

Among the emergency measures adopted by the government are some that will help the Judicial Branch to confront the threat posed by the death squads of drug traffickers.

### War on 'Paid Assassins'

*PA2008045889 Buenos Aires REUTER in Spanish 0421 GMT 20 Aug 89*

[By Walker Simon]

[Excerpt] Bogota, 19 Aug (REUTER)—Colombian Defense Minister Oscar Botero has announced that the Armed Forces will wage an all-out war against the underground world of drug trafficking, while police officers under his ministry's supervision are conducting a vast operation to put an end to the paid assassins by arresting 3,883 persons in one day.

The deployment of the police officers was initiated after President Virgilio Barco announced last night an offensive against the drug trafficking lords. The purpose of this operation is to find the assassins of senator and presidential hopeful Luis Carlos Galan, who was killed yesterday near Bogota, and that of other officials and magistrates killed during the week.

The mobilization of the police forces was the first visible sign of the commitment made by President Virgilio Barco to adopt tough measures against the drug trafficking kingpins. [passage omitted]

### Report on Operations

*PA2108010989 Bogota Emisoras Caracol Network in Spanish 0000 GMT 21 Aug 89*

[Report by Carlos Gomez Herrera from the National Defense Ministry]

[Text] Civilian and military authorities, in an effort to maintain peace and safety throughout the country and in keeping with recent government provisions, have submitted a full report on operations carried out over the past few hours against the country's drug trafficking groups.

Defense Minister General Oscar Botero Restrepo, via the National Defense Ministry, has just reported that farms, buildings, and other property owned by Pablo Escobar Gaviria, Gonzalo Rodriguez Gacha, and other members of drug trafficking groups operating on national territory, have been raided.

Among other things, and in keeping with new provisions issued by the national governmment, the Monaco Building in Medellin, Gama Building, El Bizcocho Farm, International Discoteque, and El Poblado Store, which are owned by Pablo Escobar Gaviria, will be turned over to the National Narcotics Council. According to the full report submitted by the National Defense Ministry, a building in Pacho, Cundinamarca, and four farms owned by Gonzalo Rodriguez will also be turned over to the National Drug Council.

Gen Oscar Botero Restrepo pointed out that the top leadership of the drug traffickers are running away, but they will soon be in the hands of the authorities who are after them:

[Begin Botero recording] So far, we have arrested more than 3,000 individuals. I do not know whether some of them have been arrested. I presume that they are running away or hiding at this moment. However, we will find them wherever they are hiding. [end recording]

The defense minister added that 9,896 [as heard] individuals have been arrested, 298 raids carried out, and 330 weapons and 1,026 vehicles seized over the past few hours. He said that military and police authorities continue to carry out similar operations in all parts of the national territory, especially in northern Valle, Risaralda, Cundinamarca Municipality, and Medellin.

### All-Out War on Drug Traffickers

*PA2008012689 Paris AFP in Spanish 0017 GMT 20 Aug 89*

[Text] Bogota, 19 Aug (AFP)—General Miguel Maza, chief of the Colombian secret police, warned the country today that the drug traffickers "will continue to shoot," and declared an all-out war against them.

Maza, who a month ago escaped miraculously from a car bomb attack staged by the drug mafia, warned about the "war" that the "drug lords" have unleashed against the country, noting that they will continue to fire their weapons.

The police chief declared that the state organizations fighting criminality will struggle against those who seek by their criminal actions to impose their own laws.

Also, Maza directly accused the drug cartels of being responsible for the chain of assassinations that have shaken the country over the past few days. "We all know who they are and we are going to fight them," he warned.

The severe measures adopted last night by the government of Liberal President Virgilio Barco, after the killings during the past 72 hours of a judge, a police commander, and presidential hopeful Luis Carlos Galan, will permit the security corps to forcefully confront the wave of violence that has gripped Colombia, he declared.

### Border Declared Emergency Area

*PA2108012289 Bogota Emisoras Caracol Network in Spanish 0100 GMT 21 Aug 89*

[Text] Caracas—The Colombian-Venezuelan border has been declared an emergency area by the Colombian security organizations, while the entry of Venezuelans to the neighboring territory has been restricted as a result of the security crisis affecting Colombia, a Caracas newspaper has reported.

While the Venezuelan newspapers reported the indignation of all the political parties and people in general caused by the assassination of Colombian political leader Luis Carlos Galan, newsmen waited to be allowed to enter Colombia.

### Action on Mafia Property

*PA2108001589 Paris AFP in Spanish 1539 GMT 20 Aug 89*

[Text] Bogota, 20 Aug (AFP)—The Colombian Army, supported by a group of police experts, will begin attacking the property of drug trafficking mafias, especially farms purchased with profits obtained from exporting cocaine to the United States. Following a meeting with each of the state organizations involved in the struggle against drug traffickers, Armed Forces Commander General Nelson Mejia today said: "All Colombians will be able to see the results of the measures."

Mejia added that with the measures decreed on Friday night by President Virgilio Barco concerning the extradition of Colombians to other countries and the revision of a list of properties owned by drug traffickers, the authorities will implement "a huge plan to attack drug trafficking fronts." With the possibility of seizing property and arresting front men "our action will be easier." The joint Army-police "Operation Rainbow" will make this more efficient, Mejia said.

Defense Minister Oscar Botero said the adopted measures are "good tools." If despite all this, the measures are not sufficient, complementary measures would be adopted, he added. He requested the cooperation of all citizens to carry out the established plan.

Since President Barco issued the decree of war on drug traffickers, real estate investments, private security enterprises, and corporations—which according to the police investigations belong to Pablo Escobar, one of the Medellin Cartel leaders—are in an uncertain situation.

The investigations have established that, through front men, Escobar purchased several apartment complexes and farms, especially in Medellin, in the northwestern Medellin Province of Antioquia. The investigations also mention a long list of properties purchased by Gonzalo Rodriguez Gacha, alias the Mexican, with profits coming from drug traffickers.

The Ochoa Vasquez family clan increases the Medellin Cartel fronts that will be attacked in "Operation Rainbow." The Defense Ministry and the State Secret Security organizations have also investigated the Cali Cartel properties. The Cali Cartel investments are protected by corporations—throughout almost the entire country—registered in the name of Rodriguez Rodriguez Consultants and Fernando Gutierrez. The authorities have discovered various properties in Cali, Valle del Cauca Department, and in Narino, Cauca, Cundinamarca, and El Choco.

This attack has to do with the national demands of President Barco's government following the assassination on Friday, in Bogota, of Senator and Liberal Party presidential hopeful Luis Carlos Galan Sarmiento.

Over the past 5 years, the war against drug traffickers has claimed the lives of former Justice Minister Rodrigo Lara Bonilla, former Attorney General Carlos Mauro Hoyos, Communist Party presidential candidate Jaime Pardo Leal, the director of the Bogota daily EL ESPECTADOR, and several judges and high-ranking Army and police officials.

### Police Carry Out 'Operation Apocalypse' in Bogota

*PA1808180189 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 16 Aug 89*

[Report by Alvaro Veliz Isaza]

[Text] The National Police is conducting "Operation Apocalypse" against drug traffickers, henchmen, and other criminals, which began today at 0200. The police installed checkpoints and occupied positions considered critical in Bogota and surrounding areas.

Before 1500, 800 policemen had accomplished their job by carrying out 98 raids. During one of the raids in the Bachue neighborhood, a man met the police with gunfire, killing one subofficial and seriously wounding two others.

"Operation Apocalypse" will continue. So far it has resulted in the confiscation of 22 vehicles, 17 revolvers, 19 pistols, 11 submachineguns, 5 shotguns, 1 rocket, 2 grenades, 2 silencers, more than 2,000 cartridges, communications equipment, 1 motorcycle, 1.5 kg of cocaine, bulletproof jackets, $3,000, and 1 million pesos, and in the arrest of 30 people currently under investigation.

Judging from the people arrested, it seems that the operation was particularly successful against private justice groups operating in Bogota and neighboring areas.

### Statistics To Date on Fight Against Drugs

*PA2008233389 Bogota EL SIGLO in Spanish 12 Aug 89 pp 1a, 7a*

[Summary] The National Police today disclosed that the struggle against drug trafficking in 1989 has resulted in the seizure and destruction of 21.733 tons of pure cocaine, 844 kg of cocaine paste, and 426.524 tons of pressed marijuana, as well as the arrest of 1,846 criminals. A National Police spokesman reported that all records in the struggle against crime have been broken so far this year and big blows have been dealt to the Medellin and Cali Cartels. In Simiti, Bolivar Department, police found a Medellin Cartel base of operations where 4.2 tons of pure cocaine were stored. They were ready to be shipped to the United States. Police also disclosed that they destroyed 378 hectares—approximately 8,000 plants per hectare—of coca leaves, 288 cocaine processing laboratories, and 62 secret landing strips.

### 8 Policemen Killed in Guerrilla Ambush in Huila

*PA2108043789 Paris AFP in Spanish 0359 GMT 21 Aug 89*

[Text] Bogota, 20 Aug (AFP)—A noncommissioned officer and seven policemen were killed today in southern Colombia when guerrillas dynamited the vehicle in which they were travelling, Huila Department authorities have reported.

The sources attributed the attack to members of the 17th front of the Revolutionary Armed Forces of Colombia (pro-Soviet FARC) which operates in that region, about 250 km from Bogota.

After ambushing the patrol on a highway leading to San Antonio Bajo, the rebels stole the policemen's weapons, which consisted of 8 rifles, 2 guns, 1 grenade, and 1,600 cartridges.

Combined Army and police troops, supported by helicopter gunships, immediately began the pursuit of the rebels who fled toward the eastern mountain region.

### Army Raids ELN Camp, Kills Five Guerrillas

*PA2008175289 Buenos Aires REUTER in Spanish 2333 GMT 16 Aug 89*

[Text] Bogota, 16 Aug (REUTER)—A Defense Ministry spokesman today reported that the Army raided a rebel camp in northwest Colombia and killed five guerrillas in this action. According to the spokesman, this camp was used to plan attacks on the country's main pipeline.

Colonel Eduardo Arebalo, chief of the Defense Ministry's press office, said that 5th Brigade troops raided the camp, located on the border with Venezuela, yesterday.

According to the report, five Army of National Liberation (ELN) guerrillas were killed and one rebel woman was wounded in this action.

Arebalo told REUTER: "It was a camp set up by the guerrillas. They called it Tito Reyez school, and it was used to train recently recruited personnel and to plan attacks."

He added that the camp also served as a place for wounded guerrillas to rest and recover. He said that in addition to seizing weapons, tents, and ammunition, the Army seized a detonator the rebels used in dynamite attacks on the pipeline.

The ELN, the only group that refused to begin peace talks with the government, carried out more than 20 attacks on the 780-kilometer pipeline, the country's largest, which carries crude oil from the Cravo Norte deposits to the refineries and the loading port on the Caribbean Sea.

### ELN Proposal on Pipelines

*PA1908012389 Paris AFP in Spanish 2305 GMT 18 Aug 89*

[Text] Bogota, 18 Aug (AFP)—The Colombian guerrillas of the National Liberation Army (ELN), who are notorious for their campaign to destroy the country's petroleum infrastructure, announced today they will cease activities as of 25 August.

The announcement was made through Conservative Senator Alvaro Leyva.

The pro-Castroite ELN is the most radical and violent group of Colombia, and it has sytematically refused to accept the peace proposals of President Virgilio Barco's government.

However, in its message, the ELN advised that it reserves "the right to continue the battle against the oil multinational companies."

In view of the ambiguous guerrilla statement, Senator Leyva urged the ELN to define its stand, and asked for a total cease of hostilities.

"The purpose of the ELN is to force the government to nationalize the oil industry. In order to achieve this, the ELN is carrying out dynamite attacks against the main oil pipeline of the country. So far this year, it has staged 30 attacks that have repeatedly forced suspending Colombian exports of crude oil, resulting in multimillion dollars of economic losses for the country.

Leyva considers that President Barco should allow a national forum to analyze oil policy, as the ELN is demanding.

## Peru

### Garcia Announces Stepped-Up Economic Measures

*PY1808174889 Lima Television Peruana in Spanish 0330 GMT 18 Aug 89*

[News conference held by President Alan Garcia with unidentified reporters in Lima on 17 August—live or recorded]

[Excerpt] [Garcia] I would like to inform you that today during a cabinet meeting we made some decisions to step up the economic recovery process that began 3 months ago.

First, we made a decision about wages and the purchasing power of workers. Second, we ratified our decisions to allow those who owe overdue taxes to put their tax situation in order. Third, we took measures to facilitate imports. And fourth, we ratified our decision to sell a few state companies.

As for salaries, we have agreed on a 25-percent wage increase in August for nonunionized workers. We agreed to increase the minimum wage from 140,000 intis to 175,000 intis, plus a transportation bonus.

Regarding public employees, since the government has decided to reinstate a wage scale according to the employees' qualifications, all public employees will receive a 33-percent wage increase this month.

Teachers will be granted an additional 80,000-inti bonus for preparing classes, while school headmasters will receive a larger bonus. For medical doctors, the government has decided to increase considerably the budget for medical services of public hospitals.

The objective of these measures is to maintain the workers' purchasing power in face of the inflation expected this month.

The government's objective is that this 33-percent wage increase for public employees, the 25-percent wage increase for nonunionized workers, and the additional bonus for teachers and doctors will be greater than this month's expected inflation. This means that overall consumption and production will also increase.

Second, we ratified the supreme decree by which all taxpayers who owe taxes from 1984 to 1988 may be pardoned by the Revenue Office if they pay 3 percent of their gross income this year. This will allow the government to collect taxes and the taxpayers with overdue taxes to put their taxes in order.

Third, we will streamline import procedures. Peru needs to import spare parts to maintain its productive growth, which has already begun. A year ago, when our reserves amounted to only $300 million, we were forced to make two decisions to administer the few reserves we had. We created a budget system for foreign currency exchange. By this system we controlled all imports by restricting them. Then we established an import license to authorize and classify each import operation.

Thanks to this policy, Peruvian reserves increased, and it is no longer necessary to resort to this budget system for foreign currency exchange for cases in which imports are made with free market dollars. The budget system for foreign currency exchange will only be applied to those imports made with dollars purchased at the single exchange market rate in the Central Bank. This means that more than half of the import operations are now free from the budget system for foreign currency exchange.

The license system will no longer be applied to imports worth less than $5,000. This license system was created to restrict imports when Peru did not have enough hard currency. But now that we have more funds and we need to import products to increase national production, we must facilitate the import process.

The fourth subject we discussed in the cabinet meeting, was the sale of public companies. It has been said many times that the state has some unnecessary assets. The state's share of the Lima cement factory is currently on sale in the stock exchange. Any citizen who wishes may freely buy those shares, which are profitable and a good way of saving for the middle class or for institutes.

We are currently negotiating with the workers of the Andina Compressor Manufacturing Company, the Alcohol Industry [Empresa del Alcohol], and the Peruvian Paper Company. Maybe next week, after we sign a contract with favorable terms, we will be able to transfer those three companies to their workers. We are granting special conditions and favorable terms so that those companies may grow and develop profitably under the adminstration of the workes themselves.

I think that these four issues are important for our economic growth. I will answer any question you have now.

[Unidentified reporter] (Guerrero) resigned as National Bank president?

[Garcia] Yes. Regarding the National Bank and the resignation of its president, I want to state the following. I think that an unnecessary scandal has been made of the change of a state official who is directly responsible to the economy minister.

The whole country should understand that when an official who is directly responsible to the economy minister does not agree with him in policies or goals, it is

natural that he should resign. It is therefore natural that he requested to resign. He has already been replaced, as stated in the official gazette today, by (Jorge Garcia Pasos), who until yesterday was deputy economy minister. This means that Vasquez Bazan's deputy will now become president of the National Bank, thus overcoming the impasse that stemmed from the resignation of the former National Bank president.

I want to correct a statement published by a newspaper today. It is not true that the National Bank is near bankruptcy. The National Bank is the state cash box. It is where the state revenues and income are deposited. The National Bank is the one that opens lines of credit. This means that it guarantees purchases abroad of food and medicines bought by state companies. This bank must be efficient to prevent any shortage of basic imports.

I think that the economy minister has chosen well a replacement for (Guerrero). [passage omitted]

### Request To Reduce Debt by 50 Percent Planned

*PY1808205789 Lima Television Peruana in Spanish 1800 GMT 18 Aug 89*

[Text] President Alan Garcia Perez met today with his ministerial economic team. The meeting was attended by Economy and Finance Minister Cesar Vazquez Bazan, Industry Minister Carlos Raffo Dazo, National Planning Institute head Aristides Haya de la Torre, and Central Bank representative Juan Candela. We should also report that Abel Salinas, our foreign-debt negotiator, was also present.

As the meeting ended. Abel Salinas told the journalists accredited to the Government Palace that the renegotiation of the external debt, and a request for a 50-percent reduction of this debt, were discussed during the meeting. Salinas added that he will travel to Europe in 8-10 days to talk with our country's creditors.

### Many Miners Working Despite Strike Call

*PY1808210489 Lima Television Peruana in Spanish 1800 GMT 18 Aug 89*

[Excerpt] Many mine workers continue to work normally despite the strike that has been called by the National Federation of Miners and Metalurgical Workers of Peru. The indefinite general strike called by this union organization, headed by Mr Jorge Quesada, is being observed by only 25 percent of the nation's mine workers. The National Mining Society, an umbrella organization for a large number of mining enterprises, affirms that more than 80 percent of the workers have already returned to work. Most mine workers did not join the strike because they have already suffered heavy economic losses during previous prolonged strikes. It should be pointed out that this stoppage by 25 percent of the workers has already cost the country $2 million in losses.

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